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Savings Institutions SOURCEBOOK

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United States League of Savings Institutions

The primary function of the United States League is to serve the savings institutions business and the public interest by furthering thrift and homeownership. Organized more than 90 years ago, the League is regarded as one of the finest trade associations in the country. This reputation stems from a broadly based program having the following objectives: the support of thrift promotion; the encouragement of private investment in the purchase of homes; the development of safe, efficient operating methods for member institutions; and the improvement of statutes and regulations affecting the savings institutions business and the public interest.

The United States League currently has more than 4,000 members. Located in every state, the District of Columbia, Puerto Rico, the Virgin Islands and Guam, these members represent approximately 99% of total savings and loan assets, as well as many savings banks, state leagues and other savings institution-related organizations. The League is the recognized organization through which members—large and small, across the nation—exchange experience and knowledge, thus elevating the standards and services of individual institutions and the business as a whole.

Closely affiliated with the League are several organizations whose specialized services are important to members and the entire savings institutions business:

The Institute of Financial Education is the educational and professional arm of the business. It sponsors 260 chapters having a total membership of 57,000 savings institution employees. It also offers correspondence courses to employees and current enrollments stand at approximately 10,000. Resident schools and workshops are conducted at major universities. The Institute has a wide array of audiovisual training programs and seminar offerings. It also provides assistance to institution management in the areas of human resource development and strategic planning.

The International Division of The Institute offers a range of consulting services in housing, residential finance and institutional development to financial institutions and housing groups in Latin America, Africa, the Far East and the Middle East.

SAF Systems and Forms is a specialized source of internal operations information, forms, franchise funds transfer systems and other services designed exclusively for savings institutions. Income from the operations of SAF goes to further the educational service of The Institute and to finance research in savings institution operations.

The Advertising Division, Inc., is a self-sustaining affiliate which develops advertising and promotional materials for use by member institutions, including: envelope stuffers; newspaper ads; radio spots; counter literature and lobby display materials; calendars; *HOME LIFE*, a customer-contact publication; and business-generating premium and advertising specialty programs. Also, through its subsidiaries Advertising Agency Group and Advertising Southeast, Inc., it provides full advertising agency service on a market-exclusive basis to savings institutions.

The Financial Managers Society, Inc., is a national professional organization whose members are chief executive officers, treasurers, controllers, auditors and information systems managers employed by financial businesses. It has 62 chapters which sponsor programs on portfolio and cash management, automation, asset and liability management, auditing, stock conversions, mergers, accounting and taxes. This information is also available to FMS members via workshops, conferences and publications.

The Financial Institutions Marketing Association, formerly the Savings Institutions Marketing Society of America, is a professional society for marketing management and professionals in financial services. The Financial Institutions Marketing Association offers a full program of regional seminars and schools in addition to its annual marketing conference. It also publishes regular and special publications on all aspects of marketing. Its 1,700 members include some 450 chief executive officers.

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PREFACE '84

This is the first edition of the *Savings Institutions Sourcebook*, an annual publication of the United States League of Savings Institutions. The new *Sourcebook* continues the major data series that appeared annually in its predecessors, the U.S. League's *Savings and Loan Sourcebook* and *Savings and Loan Fact Book*. To complement these long-running series of savings association data, this year's *Sourcebook* presents a full range of savings bank facts and figures as well.

In the *Sourcebook* these data are grouped by subject area: savings, mortgage lending, housing, savings institution operations, and federal government agencies. A short text explains the basics of the savings institutions business and the role it plays in thrift and homeownership. Finally, a glossary of key terms and a comprehensive index assist *Sourcebook* users in locating the information they are seeking.

The *Sourcebook* is distributed to U.S. League member institutions, educators, school and public libraries, financial writers and editors, members of Congress and other government officials, chambers of commerce and home builders. Copies may be obtained from the United States League of Savings Institutions, 111 East Wacker Drive, Chicago, Illinois 60601.

The League is indebted to the many organizations and agencies that cooperated in providing data for the 1984 *Sourcebook*. No effort has been spared to provide the reader with the most accurate and complete data possible. In the case of the 1984 *Sourcebook*, publication was delayed several weeks beyond the customary June 30 date in order to await the availability of key year-end data. The *Sourcebook* now is going to press with some of this information still unavailable. The decision to publish without it was based on the desire to place the majority of the data in users' hands without further delay.

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The Savings Institutions Business

Savings institutions—savings associations and savings banks—perform a vital function in the American economy. They link consumers who have funds to save or invest and those who want to borrow. They accept savings deposits from the public, then use these funds to make various types of investments. Most of these investments are in residential real estate mortgages, and particularly in home mortgage loans.

Savings institutions are specialized but extremely important members of a class of institutions known as financial intermediaries. This classification includes such diverse organizations as commercial banks, life insurance companies, credit unions, and finance and investment companies. As a group, they offer investors and savers a wide variety of financial options and make funds available to borrowers for a broad range of purposes.

At one time, savings associations and savings banks were distinctly different types of institutions with unique purposes and forms of operation.

Today, however, these distinctions have largely disappeared. A convergent trend first appeared a number of years ago, and the Garn-St Germain Depository Institutions Act closed most of the remaining gaps when it was enacted in October 1982.

Among many other distinction-blurring provisions, the Garn-St Germain Act allows savings associations to convert easily to savings bank form, and vice versa. Other important similarities—and the remaining distinctions—are discussed in this text under specific subject headings.

Chartering and Supervision

Like the commercial banking system, the savings institutions business has a dual federal-state system of chartering and supervision. State institutions are chartered under state statutes, and are supervised and examined by their respective state authorities. Federal institutions are chartered under federal law and are subject to the supervision of the Federal Home Loan Bank Board.

Only 16 states presently charter savings banks, and the majority are concentrated in New England, New York and New Jersey. Savings associations, on the other hand, are chartered by all 50 states, the District of Columbia, Guam and Puerto Rico. Federal charters may be issued to an institution headquartered in any state or similar political subdivision.

Savings institutions are privately owned and operated organizations. The development of policy for the conduct of business at the individual institution is the responsibility of a board of directors (or trustees, as they are called at some savings banks) made up of local citizens.

Like many other financial intermediaries, however, savings institutions work within a comprehensive framework of special state and federal laws and regulations. The laws set general standards for the chartering of new institutions, govern operating practices and control the kinds of loans and other investments that can be made. Supervisory agencies establish more

detailed regulations governing operating procedures.

In order to protect the public interest, the appropriate supervisory agencies periodically examine the savings institutions under their jurisdiction to assure compliance with applicable laws and regulations.

Insurance of Accounts

Federal savings associations are required by law to have their savings accounts insured by the Federal Savings and Loan Insurance Corporation. Insurance of accounts is optional for many state-chartered institutions, but the overwhelming majority afford their savers this protection. Some federally chartered savings banks also belong to the FSLIC.

The Federal Deposit Insurance Corporation was the only federal insuring agency for savings banks until the passage of the Garn-St Germain Act, and the majority of savings banks still are insured by the FDIC.

FSLIC- and FDIC-insured institutions pay a regular insurance premium or assessment for deposit protection. In addition, they must comply with a body of regulations governing their operations.

State insuring funds to protect savers' deposits have been set up under special statutes in several states. Savings banks may belong to both the FDIC and a state fund; the state fund insures excess deposits over the FDIC's $100,000 maximum. Savings associations, on the other hand, may not maintain such dual memberships.

Ownership

Savings institutions are either mutually owned or have some form of permanent stock ownership. Mutual institutions issue no capital stock. They are owned by their members—the savers and borrowers—who are entitled to vote on business issues.

Stock institutions, in contrast, issue capital stock which is similar to that of other corporations. It can be bought and sold by investors, confers voting rights and may earn dividends.

Until the 1970s, only state-chartered savings associations were allowed to operate under the stock form of organization. Today, however, existing federal associations may freely convert to stock form and new federals may obtain a stock charter.

State-chartered savings banks are nearly all mutual in form, though a few have converted to stock form in the last year. Federal savings banks may select either a mutual or stock charter when they are organized or when they convert to federal status.

The Savings Picture

Savings deposits are the major source of funds for savings institution lending. For the business as a whole, deposits represent about 85% of all liabilities—what these institutions owe to others.

Many factors influence the ebb and flow of savings funds, including economic conditions, consumer behavior, supervisory agency regulations, competitive conditions, and the individual institution's savings portfolio structure and business techniques.

Even though the personal savings rate dropped to its lowest level in recent years—4.8%—savings institutions experienced a massive surge in savings inflows in 1983. Both associations and savings banks logged record growth in deposits.

In part, this growth was a result of the recovery of the economy. As peak interest rates on direct market investments declined, funds poured back into the insured safety of savings institutions. The 1983 growth also reflected the regulatory creation of new types of savings accounts that allowed savings institutions to compete much more successfully with intermediaries such as money market funds.

Savings Deregulation

Besides the recovery in savings inflows, the other important change in the savings picture in 1983 was deregulation.

Savings institutions and commercial banks became subject to thorough regulation of the kinds of deposit plans and terms they could offer in the 1960s. In essence, this body of regulations gave every institution the same product line, except that savings institutions could pay ¼ of 1% more than banks on most classes of accounts. This differential in favor of

thrift institutions was intended to help them to attract funds for housing, since they could not offer the full range of consumer financial services that banks could.

These savings account regulations both simplified savings choices for consumers by limiting options, and prevented rate wars among depositories. During the 1970s, however, consumers increasingly reacted to limited choices and controlled rate ceilings by moving their funds out of depository institutions into alternative, unregulated intermediaries and direct market investments.

The regulators dealt with these problems by authorizing a greater variety of accounts, raising ceilings on some accounts and tying the ceilings on others to market indicators such as Treasury obligations. Consumers responded by moving an unprecedented amount of money at an unprecedented rate into some of the new accounts.

In 1980 the power to set interest rate ceilings and authorize new types of accounts was shifted from the individual federal banking and thrift regulatory agencies to the Depository Institutions Deregulation Committee. Its overall mission is to phase out interest rate ceilings and most other savings account regulations.

On October 1, 1983, the DIDC removed rate ceilings and minimum balance requirements for all new accounts with maturities of more than one month. At the same time, it reduced early withdrawal penalties and eliminated most other savings account regulations.

On January 1, 1984, the ¼ of 1% thrift institution differential was ended. This equalization of rates was mandated by the Garn-St Germain Act of 1982, which also granted savings institutions broad new powers.

The Savings Mix

Much of the impact of the October deregulation had not yet appeared by year-end in the deposit structure of savings associations and savings banks. In part, this is because about three-fourths of all deposits at savings institutions already were in market rate (no ceiling or indexed ceiling) accounts when the deregulation move occurred.

Market rate accounts contain mainly rate sensitive money, funds that are attracted to the account primarily because of its good rate of return. If the institution does not pay current market rates, the funds will move to investments that offer better yields.

A high proportion of rate sensitive and short-term money in a deposit portfolio exposes an institution to rapidly rising interest costs whenever market rates move up. During a period of high rates, such as 1979-82, the squeeze on savings institution earnings can be severe, since the income from loans moves up much more slowly than do savings costs.

At year-end 1983 the savings institutions business held almost one-third of all savings dollars in deposits with no specified term (passbook accounts, ordinary savings, NOWs, super NOWs and money market accounts). Fifty-six percent was in all types of certificates of less than $100,000, with terms ranging from seven days to more than two and one-half years. Another 10% was in $100,000-minimum certificate accounts, usually short-term funds from large investors and corporate depositors.

Types of Accounts

Savings institutions offer many different types of deposit plans.

Passbook or *ordinary accounts* permit any amount to be added to or withdrawn from the account at any time. No minimum balance is required by regulation, although the institution may set a minimum needed to avoid a service charge or earn interest. The interest rate ceiling is 5.5%.

NOW (negotiable order of withdrawal) accounts function like checking accounts but earn interest at a rate up to the 5.25% ceiling. *Super NOW accounts* require a $2,500 minimum balance to be exempt from rate ceilings. NOWs and super NOWs may contain the funds of individuals and public units but not businesses.

Money market accounts also require a $2,500 minimum or average balance to be exempt from rate ceilings. They also carry

a monthly limit of six preauthorized transfers to other accounts or persons.

Certificate accounts with terms of seven to 31 days and balances less than $2,500 carry a 5.5% ceiling, except for public unit accounts, on which the ceiling is 8%. All other certificates may be issued under any conditions and rates that the institution decides upon. Certificates are subject to loss of some or all interest on withdrawals before maturity.

Notice accounts are the equivalent of certificate accounts with an indefinite term. Savers agree to notify the institution a specified time before withdrawal. Accounts with notice periods of 31 days or less and balances of less than $2,500 are subject to the same rate limits as certificates. An early withdrawal penalty applies to withdrawals before the expiration of the notice period.

On January 1, 1985, the $2,500 minimum denomination requirement on super NOWs, MMAs, and certificate and notice accounts will disappear.

Club accounts help people to save regularly for Christmas, vacation, income tax payments or similar goals. Regular deposits each payday and once-a-year payouts characterize these accounts, which may earn up to the passbook rate.

School savings plans and *children's savings clubs* are specifically geared for children and young people to help them develop the habit of saving regularly. Deposits may be collected at the school rather than at the institution's offices, and many other typical rules and procedures may not apply to such accounts.

Individual retirement accounts and *Keogh accounts* are not types of savings accounts. Rather, IRA and Keogh funds may be invested in any account, most often a high-rate certificate. IRA and Keogh plans are a form of retirement savings in which the funds deposited and interest earned, up to legal limits, are exempt from income tax until they are withdrawn after retirement.

Checking accounts are offered by some savings institutions under some circumstances. Federals may offer them to business customers with whom they have a loan relationship. State savings banks in some jurisdictions may offer both business and personal checking. No checking account may earn interest.

Other Services

At one time, most savings institution services were directly related to the savings and lending functions.

On the savings side, traditional related services include travelers checks, money orders, safe deposit boxes and payroll deduction plans. Newer savings services include automated teller machines that accept deposits and dispense cash 24 hours a day, transaction facilities in supermarkets and other stores, telephone transfers, electronic funds transfers, and preauthorized deposits and payments. Other services include seminars on financial planning, and savers' clubs with special discounts on consumer goods and trips.

On the lending side, related services include home planning consultation, home buying seminars and sometimes debt management counseling.

In seeking to become full service consumer financial centers, savings institutions in recent years have been moving into new financial service areas as laws and regulations permit.

Some savings institutions have set up trust departments offering a full range of personal trust services, including the writing of wills, estate planning and management, and more. Others offer brokerage services, including buying and selling stocks, bonds and similar securities.

Traditional savings banks in Connecticut, Massachusetts and New York have offered individual and group life insurance plans for many years. The policies are issued by statewide affiliated organizations chartered specifically to provide this coverage. Nearly 1.5 million policies for about $15 billion are currently in force.

Credit and debit cards are yet another newer financial service. The credit cards issued most often are those of major national organizations—American Express, MasterCard and Visa. Debit cards may

also carry the same brand names; they allow the saver to tap an account at the institution for a purchase instead of running up a bill.

Another service which federal savings institutions may offer since the Garn-St Germain Act is leasing of consumer products such as furniture, automobiles and manufactured homes.

Homeownership and Home Financing

Widespread homeownership is one of the distinctive characteristics of American society. More than 54 million homes—nearly two-thirds of all residential units in the United States—are owner-occupied.

Building, buying and maintaining the nation's more than 83 million owned and rented housing units account for hundreds of billions of dollars annually. Housing is a major force in the economy, no matter what measure is used. Private residential construction in recent years has accounted for 2.4% to 4.1% of GNP. Residential mortgage loans are one of the major forms of credit in the United States, exceeded only by the federal debt at year-end 1983.

Savings institutions are the major source of residential credit. At year-end 1983 the mortgage portfolios of associations and savings banks accounted for 40% of all residential loans outstanding. In the private sector (excluding U.S. government and federal agency holdings), they held nearly 55% of the total.

As a whole, the savings institutions business holds more than 60% of its total assets in mortgage loans. Savings associations are the more specialized, with about 64% of all funds invested in mortgages. Savings banks, with a traditionally broader investment authority, hold over 50% of their funds in mortgages. No other types of financial intermediaries come close to allocating this large a proportion of their funds to the financing of real estate.

The Mortgage Market

Mortgage lending by savings institutions reached all-time record levels in 1983. The combined total of loans closed and purchased by savings associations and savings banks reached nearly $200 billion last year.

This recovery followed three years of slowed lending. The slowdown was caused by high interest rates and recessionary conditions in the nation's economy, which severely reduced both the availability of loanable funds and the demand for mortgage loans. As the economy recovered, savings funds flowed back into thrift institutions and activity resumed in the housing market.

Inflows generated by mortgage loans outstanding at savings institutions—regularly scheduled repayments; unscheduled prepayments and payoffs; and sales of loans, participations and mortgage-backed securities to investors—also reached record levels in 1983. This too was due to the general economic recovery, with its favorable impact on the housing construction and resale market and investors' renewed interest in the returns offered by mortgages and mortgage-backed securities.

The mortgage portfolio turnover ratio expresses inflows as a percentage of the average portfolio over the year; it is a measure of portfolio activity.

At associations, the turnover ratio climbed to more than 25% last year, a level not seen since 1950. The savings bank ratio was somewhat lower—13.3%—but still well above the levels of recent years. In part, the lower savings bank ratio reflects these institutions' geographic concentration in the northeastern United States, where the housing market is less active than in growth areas such as the Sunbelt and Far West.

At a 25% rate, the entire portfolio would turn over in about four years; at a 13% rate, in seven to eight years. This level of activity permits institutions to restructure their portfolios more quickly into newer types of loans, as well as bringing in welcome income from loan origination fees.

Types of Mortgages

Savings institutions offer a broad range of mortgage options to help their customers meet their home financing needs. Mortgages may be conventional—i.e., not insured or guaranteed by a government agency—or made under a variety of government-sponsored programs. Private

mortgage insurance also may be used on conventional loans to reduce risk.

Although many institutions continue to offer the traditional fixed-rate, fixed-term mortgage loan, most are also moving strongly into the area of alternative mortgage instruments. Estimates of the number of distinct types range from 40 to nearly 100.

These newer mortgage plans give consumers a range of options. Graduated payment mortgages have monthly payments that increase periodically at a predetermined rate during the early years of the loan. This helps younger home buyers who anticipate rising incomes. Another version, growing equity mortgages, applies the increased payments to principal, thus building the borrower's equity in the home and paying off the loan more quickly than a traditional mortgage.

Balloon loans are written for terms such as three or five years. They call for regular monthly payments and one large (balloon) payment at maturity. The lender may guarantee renewal.

Many of these and other types of alternative mortgage instruments written by savings institutions today provide for periodic interest rate adjustments. The amount or number of payments, or both, may change to accommodate these interest rate ups and downs. The frequency and amount of increases usually are limited, while decreases often are not.

This assures people who borrow when market rates are high that the rate they must pay initially will decline if the market does. It also means that people who borrow when rates are down pay the lowest possible rate; the lender does not have to build in a higher rate as a hedge against possible future increases in the market. Regulatory safeguards protect the borrower's interests.

Adjustable rate loans are a comparatively recent development in the mortgage market. And they only came into widespread use with the 1983 resurgence of the market. Over the course of the year, savings institutions increased their adjustable loans from about one-third to nearly two-thirds of all home mortgages closed.

In early 1984, as interest rates began to creep upward, adjustable rate mortgage loans became even more important. Since ARMs typically carry a rate 1% to 2% below that on fixed rate loans, consumers are particularly attracted to ARMs as fixed rates approach the 14% level, currently considered the market shutoff point.

In addition to home purchase and home construction mortgage loans, savings institutions make a smaller number of loans on apartments, and commercial and other nonresidential real estate.

Secondary Market

The secondary mortgage market is the aggregate buying, selling and trading of existing mortgage loans and mortgage securities. Investors may buy whole loans, participations (ownership shares in a group of loans) or a variety of mortgage-backed securities.

Mortgage holders may set up pools by packaging FHA, VA or conventional mortgages, and issuing securities that represent shares in the package. The creator of the pool continues to collect payments from the borrowers. Payments to the investors may be passed on monthly as received, paid monthly whether or not received, or interest may be paid semiannually and principal at designated intervals. The various arrangements appeal to different types of investors. Also, the securities may be guaranteed by the Government National Mortgage Association or partially insured by a private mortgage insurance company.

Institutional lenders such as savings associations and savings banks buy loans and securities in the secondary market when they have available funds that they cannot invest in new mortgages locally or when they wish to diversify their portfolios. Investors that do not have mortgage origination or servicing facilities also use the secondary market to acquire loans.

Correspondingly, lenders that wish to free funds from their existing portfolios sell loans, participations or securities. In times of high interest rates, sellers generally prefer to issue securities. This permits them to use old, low-rate loans to raise new funds without having to sell them at a discount.

Federal housing and mortgage credit

agencies operate primarily in the secondary market; they generally are net purchasers. In the private sector, mortgage companies usually dominate the selling side, while savings institutions normally are the largest buyers of loans.

Recently, savings institutions also have become more interested in originating mortgage loans for subsequent sale to investors such as pension funds and insurance companies. The unstable savings flows of the last few years have forced many institutions to look for alternative sources of loanable funds. As a result, the mortgage market has become much more closely integrated with the general capital markets. This process undoubtedly will continue in coming years.

Other Loans

Besides mortgage loans, savings institutions make a variety of other loans to consumers. These advances are made for purposes such as mobile home and automobile purchases, home remodeling and improvements, education expenses, and consumer goods and services bought with credit cards.

Most of these consumer loans are secured by liens on personal property or simply by the borrower's general creditworthiness. Savings account loans, however, are secured by cash on deposit with the financial institution, usually in a certificate account from which the saver doesn't want to withdraw until maturity.

Savings associations hold about 3% of their total assets in all types of nonmortgage loans, while the savings bank figure is nearly 4.5%.

The Garn-St Germain Depository Institutions Act of 1982 further expanded savings association lending powers in the areas of consumer, commercial and agricultural lending. Traditional savings banks in some jurisdictions have had these powers for years; among FDIC-insured savings banks, commercial and industrial nonmortgage loans amount to 2.6% of total assets.

While savings institutions now can make a variety of new types of loans to better serve their customers and their communities, most will remain primarily real estate lenders. The track record of traditional savings banks, which have had diverse investment powers for years, demonstrates this continued emphasis on mortgage lending. Financing housing has been the basic business of savings institutions for more than 150 years, and that expertise cannot be ignored.

Other Investments

Traditional savings banks typically have much broader investment powers than do savings associations, although their authorizations vary somewhat from state to state.

The greatest share of these investments is in stocks, bonds and other debentures. As a whole, the savings bank business holds more than 10% of its assets in the stocks and debt obligations of corporations, railroads and utilities.

Savings association investment powers were greatly expanded by the 1982 Garn-St Germain Act. Since most implementing regulations were not issued until well into 1983, however, these newer types of investments are not yet a significant item on most association balance sheets.

Balance Sheet

The balance sheets of the savings association and savings bank businesses to some extent reflect their differing histories and statutory powers. More significant, however, are the marked similarities between the two statements of condition, similarities that underline the unity of the savings institutions business.

The principal liability of savings institutions is savings deposits, the funds entrusted to them by savers and thus owed to those savers.

For savings banks, savings deposits in recent years have made up about 89% of total liabilities, while the percentage for associations has hovered around 80%. In contrast, associations make much heavier use of borrowed funds than do savings banks—10% or more versus less than 5% of total liabilities—to maintain their lending programs.

Another key item on both balance sheets is net worth or general reserves, the earnings retained over the years to cushion operating losses.

On the asset side of the balance sheet, the major item is mortgage loans, representing the money owed to savings institutions by builders and buyers on loans secured by real estate. This balance sheet structure points up the basic function of savings institutions as financial intermediaries serving savers and home buyers.

Liquidity

Cash and the government security and investment portfolio of savings institutions represent a major asset classification. All prudent depository institutions hold some liquid investments to ensure that funds are available to meet any sudden increase in deposit withdrawals. Any liquidity regulations for state-chartered savings institutions that are not members of the FSLIC or the FHLB System are set by state authorities. All other savings institutions—the vast majority—are subject to the FHLBB's liquidity rules for FHLB System members.

In these regulations, the Bank Board specifies two minimum levels of liquid assets—overall holdings and a smaller percentage of short-term investments.

The Bank Board is empowered by law to vary the overall liquidity ratio between 4% and 10%. The base against which mandated liquidity ratios are computed is composed of withdrawable savings deposits and borrowings repayable on demand or in one year or less. These numbers are the denominator in the computation. Qualifying investments are the numerator.

Liability Reserves

On the liability side of the balance sheet, reserves are funds set aside out of net income over the years to cushion savers and investors against any losses on loans or other investments. Stated another way, these reserves represent the amount by which assets exceed liabilities—the amount which could be lost on assets before any liability might not be repaid. (Of course, most savings institution depositors also are protected by FSLIC or FDIC insurance.)

Savings associations and federal savings banks tend to use the term net worth to describe liability reserves, while traditional savings banks more often use the term general reserves.

Regulatory authorities establish minimum required levels of liability reserves for the institutions they oversee, as well as specifying the exact balance sheet items that may be counted toward the total.

The FHLBB's requirements for FSLIC-insured savings institutions are not untypical. Currently, each institution must make year-end additions to net worth to maintain a level equal to 3% of liabilities (exclusive of net worth) as of the start of the year. Certain adjustments are made to the basic requirement, including both deductions of items from the base (loans in process are one such deductible) and additions to the required level of reserves (for example, an additional 20% of the outstanding balance on seriously delinquent loans).

The items that FSLIC-insured institutions may count toward net worth include: all liability reserve accounts except specific and valuation reserves, common and preferred stock, retained earnings and undivided profits, appraised equity capital, equity securities, mutual capital certificates and subordinated debt securities issued in conformity with strict regulations, and net worth certificates.

Appraised equity capital is the amount by which the resale value of savings institution assets such as real estate exceeds the item's book value.

Mutual capital certificates and *subordinated debt securities* are forms of debt that have the characteristics of equity securities because of their long terms and because they give the investor a repayment claim similar to that of an owner, not a depositor or other creditor of the institution.

Net worth certificates are a form of

capital assistance from the FSLIC and FDIC to institutions that are having trouble meeting net worth requirements. This emergency aid plan was created by the Garn-St Germain Act in response to the severe earnings pressures that some depository institutions experienced in the 1980-1982 recession.

Under this plan, the institution with a net worth deficiency issues net worth certificates which, after being exchanged for FSLIC or FDIC promissory notes, are counted toward net worth. Certain eligibility requirements apply, and the institution must agree to specified conditions in order to receive capital assistance. The institution redeems its net worth certificates as it returns to profitability; the insuring agencies must pay out on their notes only if the institution fails.

Asset Reserves

On the asset side of the balance sheet, reserves are funds set aside against certain types of deposits. These reserves must be in the form of nonearning deposits at a Federal Reserve Bank and cash on hand at the institution.

The required level of asset reserves is based on the total of transaction accounts (NOW, checking and other third-party payment accounts) and nonpersonal time deposits (savings accounts not owned by natural persons). Certain other sources of funds also may be included.

Asset reserves have been required for Federal Reserve member commercial banks for many years; the 1980 deregulation act authorized the Fed to set asset reserve requirements for other types of depository institutions as well.

Operations Framework

Savings institutions operate within a comprehensive framework of state and federal laws and regulations. These rules set the requirements for the chartering of new institutions, govern operational practices, and describe the kinds of instruments that may be used to borrow money and the permissible loans and other investments for those funds.

For many years, regulations grew almost constantly in number and complexity as the authorities spelled out the permitted activities and required safeguards in each new sphere of operations that savings institutions were authorized to enter.

Now, however, the trend is toward fewer and less explicit regulations. This allows individual institutions far more operating discretion in tailoring their services to the needs of their marketplace and the particular competitive situation they face.

Savings flows and mortgage lending volume are affected by legal and regulatory constraints, and by the economic environment. The radical shifts in monetary conditions during the last 15 years have had far-reaching effects on the operations of savings institutions. The balance sheets and income statements of both associations and savings banks reflect the pervasive forces of change.

Many factors must be reconciled in order to produce a sound savings institution. Decisions on such matters as products offered, liquidity, the use of borrowed funds, income and expense, and personnel must all be made in a manner that will maximize the consumer financial services offered to the community. The overriding consideration at all times, of course, is the soundness of the institution.

Income and Expense

Mortgage loans are by far the most important source of savings institution earnings, while the largest use of income is the payment of interest to savings account holders.

Interest and fees on mortgage loans accounted for more than 70% of the operating income of associations and more than half of operating income for savings banks in 1983. Interest on investments—primarily liquidity holdings in the case of FHLB System member institutions—accounted for another 11% of association income and nearly one-third of savings bank income.

The greatest expense of both savings as-

sociations and savings banks was interest on savings deposits and borrowed money, about 82% of all expenses for both types of institutions.

Trailing far behind the funds allocated to savers were the operating expenses of savings institutions. The ratio of operating expense to operating income has undergone a substantial decline over the years, due to increases in operating efficiency. Salaries and wages are the principal operating cost, accounting for more than one-third of current operating expenses in 1983.

The net income of savings institutions is the balance remaining after deducting from current income all operating expenses, interest on savings deposits and borrowed money, income taxes, and the difference between nonoperating income and nonoperating expenses.

Tax Laws and Savings Institutions

For many years, savings institutions were exempt from federal corporate income tax, as credit unions still are. The first application of federal tax laws came in 1952, although relatively little tax was paid. In 1962 the law was changed to produce larger tax revenues, while under the 1969 Tax Reform Act the tax provisions for savings institutions began a 10-year phase-in to what is essentially their current status.

The main special feature of the Internal Revenue Code for savings institutions is the availability of a special tax deduction for additions to reserves for bad debt losses. Presently, savings institutions may set aside up to 40% of their taxable income as provision for bad debts.

When earnings are strong, this deduction may be substantially larger than the credit losses actually experienced. However, any such excess is subject to the minimum federal tax on so-called preference items. Furthermore, the reserves built up by the use of this special bad debt deduction may not be distributed to depositors or shareholders without triggering a tax penalty on the payout.

To qualify for the use of the deduction for additions to reserves, a savings institution must pass an asset composition test which basically requires that at least 60% of assets must be in housing-related investments or in U.S. government or agency securities.

To obtain the full 40% of taxable income deduction, an institution with a savings and loan charter must have at least 82% of its total assets in these investments. For each 1% by which its assets do not meet the 82% level, the association loses 0.75% of the bad debt deduction. Savings banks, because of the slightly different history of their asset authorities, need hold only 72% of their assets in qualifying investments. However, they lose 1.5% of their bad debt deduction for every 1% by which their assets fall below the 72% benchmark.

Because of this special bad debt deduction, savings institutions cannot take full advantage of certain other tax-saving provisions in the revenue code—the 10% investment tax credit, the 85% dividends received exclusion and the full charitable contribution deduction. These other benefits are lost whether or not the institution actually uses the special bad debt deduction.

The final major distinguishing feature of the tax code for depository institutions, which has been of great significance in the adverse economic climate since 1980, is the special rule on net operating loss carryovers.

The lending business has a potential for unforeseen, substantial losses. This was recognized by the 1969 tax law, when depository institutions first were permitted to use a longer operating loss carryover period than were other corporations. The 1981 tax act increased the general carryover period but did not change the depository institution provision. Today, these institutions' carryover period of 15 years is actually shorter than the 18-year period permitted generally.

Though attempts have been made to correct this discrepancy, the situation

remains unchanged and, consequently, a number of institutions face the unused expiration of operating loss carryovers.

Net Income

The net income of savings institutions experienced a modest recovery in 1983. This followed a three-year squeeze on earnings arising from the impact of high and volatile interest rates on these institutions' savings and mortgage portfolio structure. As interest rates moderated in the second half of 1982, however, an improvement in earnings began.

When interest rates are high, market-rate savings accounts attract large volumes of funds. The institution's cost of savings rises very quickly. These high rates must be paid or savings will flow to other institutions and other types of investments. At the same time the interest rate on borrowed money also soars.

As recently as the 1980-1982 crunch, most of the savings institution mortgage portfolio still was tied up in long-term, fixed rate mortgages that turn over very slowly. Periods of high interest rates slow portfolio turnover further, as people defer home construction and purchases until rates decline. The rate of return on the portfolio increases only slowly under such conditions.

The record level of mortgage lending by both savings associations and savings banks in 1983 helped portfolio earnings with current rate loans and loan origination fees. This also was the first time that savings institutions were able to move strongly into the broad spectrum of alternative mortgages authorized at the start of the decade. As more of the existing portfolio turns over into these newer types of loans, periods of high interest rates will have less of an adverse impact on savings institution earnings than they did in the early 1980s.

The business's return to profitability also is letting institutions move aggressively into the new areas authorized by a variety of legislation and regulations. Some of these newer authorizations include consumer leasing, commercial lending, trust services and credit card issuance.

The basic structure and financial position of the savings institutions business is sound. Recent expansions of powers have improved future earnings prospects and will increase the capacity of the business to avert future earnings crunches of the 1980-1982 magnitude.

There is no doubt that millions of savers will have funds to invest and millions of borrowers will want to finance home-ownership and other basic family needs. Savings institutions have grown to a $1 trillion business by specializing for more than 150 years in meeting these needs. Their new powers can only help them to do an even better job for the American public.

Federal Government Agencies

The FHLB System

The Federal Home Loan Bank System was created in 1932 to provide a central credit facility for the nation's home financing institutions. The System links mortgage lending institutions to the capital markets by issuing consolidated obligations and discount notes in large denominations. The System also serves as a source of secondary liquidity to its members in meeting heavy or unusual withdrawal demands.

All FSLIC-insured savings institutions are required by law to belong to the FHLB System. Membership is open on a voluntary basis to qualified state-chartered savings associations, savings banks and life insurance companies.

The FHLB System is organized in a manner similar to the Federal Reserve System. It is composed of the Federal Home Loan Bank Board, the 12 regional Federal Home Loan Banks and the member institutions.

The FHLB Board

The Board has three members, appointed for four-year terms by the President

with the consent of the Senate. No more than two members may belong to any one political party.

The Board, located in Washington, D.C., governs and regulates the Bank System. It is the chartering and regulatory authority for federal savings institutions. It also governs the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Mortgage Corporation.

The Board is an independent agency in the executive branch of the government and submits an annual report to Congress. Its expenses are all met through assessments on the regional Banks and the FSLIC, and examination fees. None of the Board's expenses are paid out of public funds.

The District FHLBs

The district Banks carry out the functions of the System in its dealings with member institutions. Although they are instrumentalities of the federal government, they are wholly owned by their member institutions.

Each Bank has its own staff and board of directors. Each board is composed of six public interest directors appointed by the FHLBB for four-year terms, plus an additional number of directors elected for two-year terms by member institutions.

The regional Federal Home Loan Banks serve as central credit banks for member institutions and have no direct contact with the public except through the sale of consolidated obligations. Member institutions transact their business through the Bank of their own district.

The major sources of funds for the Banks are their capital stock and retained earnings, the proceeds from the sale of consolidated obligations and discount notes, and the deposits of member institutions. The funds from these sources are held as cash, invested in Treasury obligations or loaned to members.

The regional Banks are not autonomous. Besides governing them and setting System-wide policies, the FHLBB reviews their annual budgets and must approve appointments of top personnel.

The Banks provide many services to members besides deposit facilities and advances. Among these services are the safekeeping, purchase and sale of securities; and the operation of statistical and research programs that trace relevant economic conditions in the particular Bank district.

The capital stock of the district Banks is owned by their member institutions. Members are required to own stock equal to 1% of their total loan portfolio.

Advances to member institutions represent the major function of the Banks as reservoirs of credit. Advances are subject to a wide range of terms and conditions which are controlled by statute, the policies of the Federal Home Loan Bank Board and the lending policies of the regional Banks.

FHLB Consolidated Obligations

The Federal Home Loan Bank System's consolidated obligations are used to tap the capital markets for funds to lend to member institutions. They are purchased by a broad segment of financial institutions, corporations and other investors.

In addition, the secretary of the Treasury is empowered to purchase up to $4 billion of consolidated obligations whenever the ability of the System to aid savings institutions is substantially impaired by economic conditions.

Federal Home Loan Bank System borrowing closely reflects the demand for advances from member institutions.

FHLMC

The Federal Home Loan Mortgage Corporation was created in 1970 to promote the flow of capital into the housing market by establishing an active secondary market in mortgages. The corporation is under the direction of the Federal Home Loan Bank Board, and may by law deal only with government-supervised lenders —in essence, depository institutions— and with mortgage bankers that meet FHLBB-specified criteria.

The FHLMC provides additional loanable funds to lenders by purchasing existing mortgages from their portfolios.

The corporation's programs cover conventional mortgage loans of various types, participations in conventional loans, and FHA and VA loans, on both an over-the-counter and a forward commitment basis.

The FHLMC obtains funds to finance its purchases mainly from the sale of bond-type and pass-through mortgage certificates which it guarantees.

The Insurance Corporations

The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation are permanent instrumentalities of the federal government, similar in structure and purpose. The FDIC was established in 1933 and the FSLIC in 1934 to insure deposits at savings associations, savings banks and commercial banks.

The basic principles of the federal deposit insurance system were developed from the experience of earlier state insuring organizations. These principles include financing the programs through member payments rather than tax funds, supervising and examining insured institutions to limit the insurer's exposure, and establishing procedures for dealing with troubled institutions that minimize inconvenience to depositors and economic disruption to the community.

Both the FDIC and the FSLIC insure accounts to $100,000. Insured accounts may be held by individuals, joint tenants, trustees, estates, partnerships, corporations, pension beneficiaries, borrowers with tax and insurance escrow deposits, government units and others.

In protecting the funds of depositors the insurance corporations have a wide choice of remedies when an insured institution's financial position becomes uncertain. They can make loans, grant contributions, purchase assets, provide guarantees or use any combination of these actions to help put the institution back on a firm footing, or allow time for a merger, acquisition or orderly liquidation to be arranged.

In response to the earnings difficulties of 1980-1982, the Garn-St Germain Act of 1982 also authorized the FSLIC and FDIC to provide capital assistance to institutions before their situation requires serious measures. This net worth certificate plan is described earlier in this text, in the section entitled "Liability Reserves."

Regulation and Supervision

Both the FDIC and the FSLIC issue extensive bodies of regulations with which insured institutions must comply. These institutions submit regular financial reports to the FDIC and FSLIC. This allows the corporations to monitor individual performance and to focus supervisory attention on the institutions that may be experiencing difficulties.

In addition, examiners visit insured institutions in order to make a detailed study of books and records to assure compliance with regulations and sound operating policies and procedures.

This three-pronged approach helps make sure that all insured institutions operate in a safe and sound manner and thus reduces risk to the insurance corporations.

Insurance Corporation Resources

During 50 years of operation, both the FDIC and FSLIC have accumulated multibillion dollar reserves against possible insurance claims by the depositors of defaulted institutions. The FDIC calls this the insurance fund, while the FSLIC uses the designation primary and secondary reserves.

The two principal sources of increases in insurance corporation reserves are the premiums (assessments, in FDIC terminology) that insured institutions pay and interest income.

Annual premiums for either FDIC or FSLIC coverage are $\frac{1}{12}$ of 1% of the institution's total deposits. For FDIC-insured institutions, this rate normally is reduced by partial rebates of the assessments remaining after the corporation has deducted insurance losses and expenses. This provision has resulted in an effective annual assessment rate ranging between $\frac{1}{30}$ and $\frac{1}{13}$ of 1% over the last two decades.

The huge reserves of the FSLIC and FDIC are invested in U.S. government obligations. Interest from these investments provides more income to both corporations in most years than do insurance premiums.

The FDIC and FSLIC's first line of defense against loss lies in the reserve and net worth accounts of insured institutions. Only when a member's losses exceed its own liability reserves are insurance corporation funds called into action. Finally, both corporations are authorized to borrow from the U.S. Treasury, although neither has ever needed to do so.

Insured Savings Institutions

Federally chartered savings associations must belong to the FSLIC; state-chartered associations may join if they qualify. Most state-chartered associations do offer their savers this protection. In fact, about 98% of all associations are FSLIC-insured. If an FSLIC-insured association converts to a savings bank charter, it may retain its FSLIC insurance.

Traditional state-chartered savings banks belong to the FDIC, while new federal savings banks are FSLIC-insured. Existing savings banks converting to federal charter may retain their FDIC insurance if they choose. The largest category of FDIC membership is commercial banks; beginning in 1984, state-chartered thrift and loan institutions also may belong if they qualify.

The gradual decline over the last several years in the number of FSLIC- and FDIC-insured institutions is a result of consolidations and mergers within the savings institutions business and does not represent any decrease in insurance coverage for savers. In fact, a recent Federal Reserve Board ruling mandates federal insurance for all depository institutions that offer either interest-bearing checking (NOW) accounts or commercial accounts.

FHA

The Federal Housing Administration, created by the National Housing Act of 1934, is a federal agency within the Department of Housing and Urban Development. The FHA operates a variety of loan insurance and subsidy programs designed to help stabilize the home mortgage market, improve housing construction standards and facilitate sound financing on reasonable terms.

Through November 30, 1983, the secretary of HUD set the interest rate ceilings on FHA loans; now, however, the rates are allowed to move freely to meet market conditions. Except in the case of interest-subsidized loans, the FHA borrower pays an annual insurance premium of ½ of 1% of the average principal outstanding over the year.

One major program provides for FHA insurance of single-family home loans. It encourages private lenders to extend homeownership opportunities by making loans with maturities up to 30 and 35 years, and low downpayments.

VA

The Veterans Administration guarantees loans made by private lenders to eligible veterans of the U.S. armed forces. This guarantee is free of charge to qualifying veterans. The program includes conventional homes, condominiums and mobile homes. Because the VA reduces risk to the lender by guaranteeing part or all of the loan, the lender can safely offer the veteran very low downpayments and long terms.

Historically, the interest rate on VA-guaranteed single-family mortgages was the same as that on FHA loans. Today, the Veterans Administration sets VA loan ceilings.

FNMA

The basic function of the Federal National Mortgage Association is to provide a secondary market in residential loans. FNMA fulfills this function by buying, servicing and selling mortgages, using debt issued under its own name as its primary source of funds.

FNMA is the nation's largest purchaser of residential mortgages. At year-end

1983, it held a mortgage portfolio of $78 billion. The organization purchases conventional and government-insured loans outright under a competitive bidding setup.

FNMA, known in financial circles as Fannie Mae, has been owned by private shareholders since 1968, although it still has a number of ties to the government. Five of Fannie Mae's 15 directors are appointed by the President. The secretary of HUD has authority to set the corporation's debt limit and its ratio of debt to capital and also may require the corporation to allocate a portion of its purchases to programs related to national housing goals.

GNMA

The Government National Mortgage Association, often referred to as Ginnie Mae, is a wholly owned corporate instrumentality of the U.S. government, operating within HUD. GNMA was created in 1968 to assume certain functions formerly belonging to Fannie Mae, as well as to guarantee securities backed by mortgages insured or guaranteed by the federal government.

The pass-through is the major type of Ginnie Mae-guaranteed mortgage-backed security issued by private mortgage lenders. It provides for passing along to the security holder the monthly payments of interest and principal on the underlying pool of mortgages. The security is fully guaranteed by the federal government.

A futures market in GNMA pass-throughs exists on the Chicago Board of Trade. There, investors can competitively trade contracts to buy or sell agreed-upon amounts of securities at a negotiated price at a specified future date. This market enables savings institutions to pass along the interest rate risks of dealing in these securities to speculators who are more willing to gamble on interest rate trends.

The GNMA contract was the first of the so-called financial futures contracts. Futures contracts in other securities quickly followed. Savings institutions may use futures to hedge the interest rate risk of their asset/liability structure, although speculation is forbidden.

Introduction to the Data

With the passage of the Garn-St Germain Depository Institutions Act in the autumn of 1982, savings associations became able to convert easily to savings banks, and savings banks obtained a similar right of conversion to savings association charters.

By year-end 1983, more than 140 FSLIC-insured savings banks with nearly $65 billion in assets were in operation. A handful of these were de novo federal savings banks but most were converted savings associations. Thus, for statistical purposes, the traditional distinctions between the institutions calling themselves savings associations and savings banks have become meaningless.

The *1984 Sourcebook* brings you, for the first time, a comprehensive picture of the savings institutions business. In doing so, it uses several different categories of data to describe these institutions.

All savings associations encompasses those institutions with a federal or state savings and loan charter. Data from 1983 are not entirely comparable with those from earlier years, however, because of the number of existing associations that converted to savings banks in 1983. For example, associations' total assets in 1983 are reduced by nearly $65 billion being transferred to the savings bank column, which has the effect of understating the year-to-year growth of associations.

All savings banks represents institutions operating with a savings bank federal or state charter. Before 1983, these were traditional state-chartered savings banks. Here, too, some incomparability exists between 1983 and earlier years, due to the number of conversions of associations to savings bank charters.

All savings institutions data combine savings association and savings bank numbers. In this category, year-to-year comparisons are valid because charter changes do not affect the overall totals. Where totals for all savings institutions are not provided because of space constraints, the reader may wish to compute them from all savings bank and all savings association numbers.

FSLIC-insured savings institutions incorporates data on both savings associations and savings banks that belong to the FSLIC. Because this category takes in most traditional savings associations that converted their charters in 1983, it is roughly comparable to "all savings associations" in prior years, except that the 1% to 2% of associations that are state-insured or uninsured are excluded.

FDIC-insured savings banks represents the traditional savings bank business but excludes those institutions with state or no insurance of accounts.

FSLIC-insured savings associations consists of traditional associations whose numbers and dollar amounts are diminished in 1983 by the conversion of institutions to savings bank charter.

Federally insured savings institutions combines FDIC-insured savings bank data with FSLIC-insured savings association and savings bank numbers.

In selecting material for publication in this *Sourcebook*, the all-inclusive categories were used wherever the data were available. Furthermore, comparable savings associa-

tion and savings bank data were paired wherever possible in the same or succeeding tables, in order to make it easier for the reader to compare, contrast and total the numbers.

Where it is useful to show more detailed data, available sources have been used even though comparable data for other categories of savings institutions are not gathered or published. Also, some of these tables continue long-term data series from the *Savings Institutions Sourcebook's* predecessor publications, series that are widely known to *Sourcebook* users.

In order to avoid lengthy and repetitious footnotes defining many of the terms used in *Sourcebook* tables, definitions appear in the Glossary that follows the data section.

To facilitate reference, the tables in the data section of this *Sourcebook* are grouped into five subject areas: savings, mortgage lending, housing, savings institution operations and federal government agencies.

Finally, the Index at the end of this publication helps users to locate both data and explanatory text relating to particular topics.

Savings Data

1. DISTRIBUTION OF TOTAL PERSONAL INCOME

(DOLLAR AMOUNTS IN BILLIONS)

Year	Personal Income	Personal Taxes	Disposable Personal Income	Personal Outlays	Personal Savings	
					Amount	As a % of Disposable Income
1960	$ 402.3	$ 50.4	$ 352.0	$ 332.3	$ 19.7	5.6%
1965	540.7	64.9	475.8	442.1	33.7	7.1
1970	811.1	115.8	695.3	639.5	55.8	8.0
1971	868.4	116.7	751.8	691.1	60.7	8.1
1972	951.4	141.0	810.3	757.7	52.6	6.5
1973	1,065.2	150.7	914.5	835.5	79.0	8.6
1974	1,168.6	170.2	998.3	913.2	85.1	8.5
1975	1,265.0	168.9	1,096.1	1,001.8	94.3	8.6
1976	1,391.2	196.8	1,194.4	1,111.9	82.5	6.9
1977	1,540.4	226.4	1,314.0	1,236.0	78.0	5.9
1978	1,732.7	258.7	1,474.0	1,384.6	89.4	6.1
1979	1,951.2	301.0	1,650.2	1,553.5	96.7	5.9
1980	2,165.3	336.5	1,828.9	1,718.7	110.2	6.0
1981	2,435.0	387.4	2,047.6	1,912.4	135.3	6.6
1982	2,578.6	402.1	2,176.5	2,051.1	125.4	5.8
1983*	2,741.9	406.3	2,335.6	2,222.5	113.1	4.8

*Preliminary
Note: Components may not add to totals due to rounding
Source: Department of Commerce

2. ALLOCATION OF HOUSEHOLD FUNDS
(BILLIONS OF DOLLARS)

Item	1980	1981	1982	1983*
Disposable Personal Income	$1,828.9	$2,047.6	$2,176.5	$ 2,335.6
Plus: Increase in Credit	175.8	180.3	127.6	254.3
Equals: Total Funds Available	$2,004.7	$2,227.9	$2,304.1	$ 2,589.9
Less: Spending on Nondurable Goods and Services	1,453.3	1,621.0	1,747.4	1,880.0
Leaves: Amount Available for Investment in Tangible and Financial Assets	$ 551.4	$ 606.9	$ 556.7	$ 709.9
Invested in:				
Tangible assets	$ 244.0	$ 263.4	$ 207.3	$ 298.7
Financial assets	307.4	343.5	349.4	411.2
Financial Assets Placed in:				
Savings accounts	$ 125.6	$ 66.3	$ 120.5	$ 205.9
Insurance and pension funds	89.7	101.8	120.4	139.5
Credit and equity instruments	59.2	42.2	60.9	78.6
Money market funds	29.2	107.5	24.7	– 44.1
All other	3.7	25.7	22.9	31.3

*Preliminary.
Sources: Department of Commerce; Federal Reserve Board

3. ANNUAL CHANGE IN FINANCIAL ASSETS OF HOUSEHOLDS
(BILLIONS OF DOLLARS)

Year	Savings Associations	Savings Banks	Commercial Banks	Credit Unions	Life Insurance Reserves	Pension Fund Reserves	Credit and Equity Instruments	Money Market Fund Shares	Total†
1960	$ 7.6	$ 1.4	$ 2.7	$ 0.5	$ 3.2	$ 8.3	$ 6.2		$ 31.6
1965	8.5	3.6	14.9	1.0	4.8	12.1	2.8		55.1
1970	11.0	4.4	27.0	1.2	5.5	18.4	– 1.2		75.1
1971	28.0	9.9	28.1	1.7	6.3	21.1	– 8.9		98.3
1972	32.7	10.2	29.0	2.5	6.9	22.6	6.0		122.2
1973	20.2	4.7	35.3	3.6	7.6	25.4	32.0		142.7
1974	16.1	3.1	34.1	2.6	6.7	29.6	36.6	$ 2.4	138.5
1975	42.8	11.2	24.6	5.4	8.7	34.9	27.0	1.3	162.8
1976	50.6	13.0	37.9	6.0	8.4	44.0	23.9	0.0	199.5
1977	51.0	11.1	37.8	7.7	11.5	54.6	27.8	0.2	223.0
1978	44.9	8.6	40.4	6.4	12.0	61.8	56.2	6.9	259.7
1979	39.3	3.4	31.4	4.4	12.5	55.6	74.7	34.4	277.7
1980	42.1	7.5	67.7	8.3	11.5	78.2	59.2	29.2	307.4
1981	14.3	3.0	45.9	3.1	10.1	91.7	42.2	107.5	343.5
1982	39.8	5.3	64.2	11.2	14.1	106.3	60.9	24.7	349.4
1983*	110.1	15.3	64.7	15.8	15.8	123.7	78.6	– 44.1	411.2

*Preliminary.
†Includes checkable deposits and currency not classified elsewhere.
Sources: Federal Home Loan Bank Board; Federal Reserve Board

4. OVER-THE-COUNTER SAVINGS
(BILLIONS OF DOLLARS)

Year-end	Savings Associations[1]	Savings Banks[2]	Commercial Banks[3]	Credit Unions[4]	Total[5]
1960	$ 62.1	$ 36.3	$ 67.1	$ 5.0	$ 171.3
1965	110.4	52.4	130.8	9.2	303.1
1970	146.4	71.6	205.8	15.5	439.3
1971	174.2	81.4	239.2	18.4	513.2
1972	206.8	91.6	273.5	21.6	593.5
1973	227.0	96.5	314.4	24.5	662.4
1974	243.0	98.7	360.5	27.5	729.7
1975	285.7	109.9	393.4	33.0	822.0
1976	335.9	122.9	435.1	39.0	932.9
1977	386.8	134.0	482.0	46.7	1,049.5
1978	431.0	142.7	544.6	53.0	1,171.3
1979	470.0	146.0	589.0	57.5	1,262.5
1980	511.6	153.5	677.8	65.7	1,408.6
1981	525.1	155.1	802.0	68.9	1,551.1
1982	568.0	155.2	921.0	80.1	1,724.3
1983*	634.1	172.6	1,064.6	95.9	1,967.2

*Preliminary.
[1] All types of savings.
[2] Regular and special savings accounts.
[3] Time and savings deposits of individuals, partnerships and corporations.
[4] Shares and members' deposits.
[5] In 1960 and 1965, includes postal savings not classified elsewhere.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

5. AVERAGE ANNUAL YIELD ON SELECTED INVESTMENTS

Year	Savings Deposits in FSLIC-insured Savings Institutions	Savings Deposits in FDIC-insured Savings Banks	Time and Savings Deposits in Commercial Banks	United States Government Bonds	State and Local Bonds	Corporate Aaa Bonds
1960	3.86%	3.49%	2.56%	4.12%	3.73%	4.41%
1965	4.23	4.15	3.69	4.28	3.27	4.49
1970	5.06	5.04	4.95	7.35	6.51	8.04
1971	5.33	5.12	4.78	6.16	5.70	7.39
1972	5.39	5.22	4.66	6.21	5.27	7.21
1973	5.55	5.44	5.71	6.84	5.18	7.44
1974	5.98	5.78	6.93	7.56	6.09	8.57
1975	6.24	5.97	5.92	7.99	6.89	8.83
1976	6.32	6.06	5.53	7.61	6.49	8.43
1977	6.41	6.07	5.50	7.42	5.56	8.02
1978	6.52	6.22	6.02	8.41	5.90	8.73
1979	7.31	6.91	7.48	9.44	6.39	9.63
1980	8.69	8.03	9.08	11.46	8.51	11.94
1981	10.70	9.66	11.31	13.91	11.23	14.17
1982	11.03	9.68	10.46	13.00	11.57	13.79
1983*	9.83	8.68	8.39	11.10	9.47	12.04

*Preliminary.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board; Moody's Investors Service; Standard & Poor's Corporation; United States League of Savings Institutions.

6. TOTAL SAVINGS AND NUMBER OF ACCOUNTS AT ALL SAVINGS INSTITUTIONS

Year-end	All Savings Associations		All Savings Banks		All Savings Institutions	
	Total Savings (Millions)	Number of Accounts (Thousands)	Total Savings (Millions)	Number of Accounts (Thousands)	Total Savings (Millions)	Number of Accounts (Thousands)
1960	$ 62,142	28,743	$ 36,343	22,493	$ 98,485	51,236
1965	110,385	39,807	52,443	22,326	162,828	62,133
1970	146,404	48,080	71,580	24,967	217,984	73,047
1971	174,197	50,831	81,440	25,748	255,637	76,579
1972	206,764	54,483	91,613	26,947	298,377	81,430
1973	226,968	59,091	96,496	28,333	323,464	87,424
1974	242,974	63,622	98,701	28,508	341,675	92,130
1975	285,743	69,558	109,873	29,712	395,616	99,270
1976	335,912	75,622	122,877	31,475	458,789	107,097
1977	386,800	81,346	134,017	33,302	520,817	114,648
1978	430,953	86,903	142,701	35,476	573,654	122,379
1979	470,004	90,195	146,006	36,410	616,010	126,605
1980	511,636	94,572	153,501	37,600	665,137	132,172
1981	525,061	101,207	155,110	36,855	680,171	138,062
1982	567,961	101,906	155,196	33,966	723,157	135,872
1983*	634,076	n.a.	219,050	n.a.	853,126	n.a.

n.a. = not available
*Preliminary
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions; United States League of Savings Institutions

7. AVERAGE SIZE OF SAVINGS ACCOUNTS AT ALL SAVINGS INSTITUTIONS

Year-end	All Savings Associations	All Savings Banks
1960	$2,162	$1,616
1965	2,773	2,349
1970	3,045	2,867
1971	3,427	3,163
1972	3,795	3,400
1973	3,841	3,406
1974	3,819	3,462
1975	4,108	3,698
1976	4,442	3,904
1977	4,755	4,024
1978	4,959	4,022
1979	5,211	4,010
1980	5,410	4,082
1981	5,188	4,209
1982	5,556	4,569
1983	n.a.	n.a.

n.a. = not available
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions

8. AVERAGE INTEREST RATE ON SAVINGS AT ASSOCIATIONS†

Month	1981	1982	1983
January	9.13%	11.36%	10.09%
February	9.09	11.21	9.68
March	10.24	11.25	9.55
April	10.43	11.18	9.49
May	10.69	11.23	9.47
June	10.74	11.22	9.40
July	10.91	11.39	9.53
August	11.18	11.34	9.66
September	11.26	11.02	9.59
October	11.66	10.76	9.73
November	11.59	10.50	9.71
December	11.42	10.36	9.73

†Based on data received from 1,000 associations regularly reporting to the U.S. League. This group holds 60% of the total savings of all associations.
Source: U.S. League of Savings Institutions

9. SAVINGS FLOWS AT ALL SAVINGS INSTITUTIONS
(DOLLAR AMOUNTS IN MILLIONS)

Year	Gross Savings Receipts	Withdrawals	Net Savings Receipts	Withdrawals as a % of Gross Receipts	Percentage of Total Savings at Start of Year: Gross Receipts	Withdrawals	Net Receipts
All Savings Accounts at All Savings Associations							
1960	$ 24,413	$ 16,854	$ 7,559	69.0%	44.7%	30.9%	13.8%
1965	39,218	30,705	8,513	78.3	38.5	30.1	8.4
1970	63,957	52,939	11,018	82.8	47.2	39.1	8.1
1971	77,888	49,914	27,974	64.1	53.2	34.1	19.1
1972	95,884	63,221	32,663	65.9	55.0	36.3	18.8
1973	113,212	92,975	20,237	82.1	54.8	45.0	9.8
1974	125,915	109,847	16,068	87.2	55.5	48.4	7.1
1975	154,644	111,838	42,806	72.3	63.6	46.0	17.6
1976	184,210	133,625	50,585	72.5	64.5	46.8	17.7
1977	218,250	167,234	51,016	76.6	65.0	49.8	15.2
1978	270,841	225,977	44,864	83.4	70.0	58.4	11.6
1979	359,483	320,179	39,304	89.1	83.4	74.3	9.1
1980	461,292	419,198	42,094	90.9	98.1	89.2	9.0
1981	531,223	516,886	14,339	97.3	103.8	101.0	2.8
1982	653,899	614,125	39,774	93.9	124.5	117.0	7.6
1983*	862,840	752,773	110,067	87.2	151.9	132.5	19.4
Regular Accounts at All Savings Banks†							
1960	$ 10,679	$ 9,317	$ 1,362	87.2%	30.8%	26.8%	3.9%
1965	16,644	13,063	3,582	78.5	34.3	26.9	7.4
1970	33,782	29,267	4,515	86.6	50.7	43.9	6.8
1971	37,417	27,769	9,648	74.2	52.6	39.0	13.6
1972	44,949	34,883	10,067	77.6	55.4	43.0	12.4
1973	52,780	47,964	4,815	90.9	57.9	52.6	5.3
1974	51,917	49,010	2,907	94.4	54.0	51.0	3.0
1975	59,438	48,369	11,070	81.4	60.5	49.2	11.3
1976	69,415	57,147	12,269	82.3	63.5	52.3	11.2
1977	81,119	70,431	10,687	86.8	66.5	57.7	8.8
1978	100,256	92,558	7,697	92.3	75.5	69.7	5.8
1979	131,647	128,987	2,659	98.0	93.3	91.4	1.9
1980	174,251	167,400	6,851	96.1	120.9	116.2	4.8
1981	182,230	181,473	757	99.6	120.4	119.9	0.5
1982	182,743	178,311	4,431	97.6	119.4	116.5	2.9
1983*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note: Components may not add to totals due to rounding.
n.a. = not available.
*Preliminary.
†Savings accounts excluding checking, club and school accounts.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions.

10. SAVINGS DEPOSITS AT FSLIC-INSURED INSTITUTIONS, BY TYPE OF ACCOUNT, YEAR-END 1983

(DOLLAR AMOUNTS IN MILLIONS)

Type of Account	Amount	Percentage
Passbook and NOW	$ 82,395	12.3%
Super NOW	7,365	1.1
Money Market	113,896	17.0
7-31 Day Certificate	3,567	0.5
32-91 Day Certificate	3,692	0.6
92-182 Day Certificate	129,447	19.3
183-365 Day Certificate	20,614	3.1
More than 1 but less than 2½-year Certificate	41,543	6.2
2½-year or more Certificate	188,026	28.0
Subtotal	$590,546	88.0%
$100,000-minimum Certificate	80,512	12.0
Total Savings	$671,058	100.0%

Note: Components may not add to totals due to rounding.
Source: Federal Home Loan Bank Board.

11. QUARTERLY CHANGE IN SAVINGS DEPOSITS AT FSLIC-INSURED INSTITUTIONS, BY TYPE OF ACCOUNT, 1983

(MILLIONS OF DOLLARS)

Type of Account	1st Q	2nd Q	3rd Q	4th Q
Passbook and NOW	$ – 7,767	$ 2,326	$ – 1,712	$ – 2,134
Super NOW	6,724	266	177	198
Money Market	72,117	8,038	– 2,900	741
7-31 Day Certificate	– 2,984	– 1,265	329	– 1,533
32-91 Day Certificate	– 1,603	– 137	1,081	– 1,343
92-182 Day Certificate	– 25,515	– 2,204	4,564	– 9,608
183-365 Day Certificate	– 3,720	– 1,398	– 912	17,014
More than 1 but less than 2½-year Certificate	3,118	10,179	6,731	14,125
2½-year or more Certificate	5,480	– 547	5,022	871
Subtotal	$ 45,849	$ 15,258	$ 12,380	$ 18,332
$100,000-minimum Certificate	– 290	7,552	14,046	3,346
Total Savings	$ 45,559	$ 22,810	$ 26,426	$ 21,678

Note: Components may not add to totals due to rounding.
Source: Federal Home Loan Bank Board.

12. NET NEW SAVINGS FLOWS AT SAVINGS INSTITUTIONS
(MILLIONS OF DOLLARS)

Quarter	FSLIC-insured Associations		All Savings Banks		Total	
	Net New Savings	Net New Retail Savings†	Net New Savings	Net New Retail Savings†	Net New Savings	Net New Retail Savings†
1976						
1st Q	$ 12,514	n.a.	$ 2,463	n.a.	$ 14,977	n.a.
2nd Q	6,771	$ 6,589	877	n.a.	7,648	n.a.
3rd Q	7,200	6,348	455	n.a.	7,655	n.a.
4th Q	7,884	7,703	1,488	n.a.	9,372	n.a.
1977						
1st Q	11,734	11,462	1,853	n.a.	13,587	n.a.
2nd Q	7,391	6,553	493	n.a.	7,884	n.a.
3rd Q	8,210	7,425	248	n.a.	8,458	n.a.
4th Q	4,669	4,281	280	n.a.	4,949	n.a.
1978						
1st Q	7,542	5,848	449	n.a.	7,991	n.a
2nd Q	4,290	2,589	– 546	n.a.	3,744	n.a.
3rd Q	6,487	5,292	– 78	n.a.	6,409	n.a.
4th Q	5,141	4,460	– 416	n.a.	4,725	n.a.
1979						
1st Q	10,103	8,349	687	n.a.	10,790	n.a.
2nd Q	1,606	– 1,791	– 2,168	n.a.	– 562	n.a.
3rd Q	1,974	– 1,530	– 2,309	n.a.	– 335	n.a.
4th Q	1,346	– 3,089	– 3,173	n.a.	– 1,827	n.a.
1980						
1st Q	1,550	– 1,844	– 2,658	n.a.	– 1,108	n.a.
2nd Q	799	– 2,153	– 958	n.a.	– 159	n.a.
3rd Q	2,252	– 454	– 213	n.a.	2,039	n.a.
4th Q	6,066	2,521	– 1,035	n.a.	5,031	n.a.
1981						
1st Q	– 659	– 1,799	– 2,121	n.a.	– 2,780	n.a.
2nd Q	– 10,467	– 12,701	– 4,088	n.a.	– 14,555	n.a.
3rd Q	– 12,627	– 15,501	– 5,156	n.a.	– 17,783	n.a.
4th Q	– 1,652	– 2,994	– 2,393	n.a.	– 4,045	n.a.
1982						
1st Q	– 385	– 3,116	– 2,194	$ – 1,961	– 2,579	$ – 5,077
2nd Q	– 8,152	– 9,748	– 3,668	– 3,788	– 11,820	– 13,536
3rd Q	– 4,457	– 6,481	– 2,756	– 3,082	– 7,213	– 9,563
4th Q	6,845	4,912	– 1,819	– 909	5,026	4,003
1983						
1st Q	28,862	29,607	n.a.	n.a.	n.a.	n.a.
2nd Q	10,894	5,007	n.a.	n.a.	n.a.	n.a.
3rd Q	14,345	1,215	n.a.	n.a.	n.a.	n.a.
4th Q	6,700	3,955	n.a.	n.a.	n.a.	n.a.

n.a. = not available.
†Net new savings gains excluding increase in $100,000-minimum certificates.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions.

Mortgage Lending Data

13. GROWTH IN SELECTED TYPES OF CREDIT
(BILLIONS OF DOLLARS)

Type of Credit	1960	1983*	Increase
Total Credit Outstanding	$778.7	$6,273.0	$5,494.3
Residential Mortgage Loans:			
One- to Four-family Homes	141.9	1,211.8	1,069.9
Apartments	20.3	151.4	131.1
Total	162.2	1,363.2	1,201.0
Corporate and Foreign Bonds	90.2	588.9	498.7
State and Local Government Obligations	70.8	468.6	397.8
Consumer Credit	65.1	484.8	419.7
Mortgages on Commercial Properties	32.4	347.8	315.4
Federal Debt	243.1	1,628.5	1,385.4

Note: Components may not add to totals due to rounding.
*Preliminary.
Sources: Federal Reserve Board, United States League of Savings Institutions.

14. MORTGAGE LOANS OUTSTANDING, BY TYPE OF PROPERTY
(BILLIONS OF DOLLARS)

Year-end	Residential Properties			Commercial Properties	Farm Properties	All Properties
	One- to Four-family	Multi-family	Total			
1960	$ 141.9	$ 20.3	$ 162.2	$ 32.4	$ 12.8	$ 207.5
1965	220.5	37.2	257.7	54.5	21.2	333.3
1970	298.1	60.1	358.2	85.6	30.3	474.2
1971	328.3	70.1	398.4	95.9	32.2	526.5
1972	372.2	82.8	455.0	112.7	35.8	603.4
1973	415.5	93.1	508.6	131.7	41.3	681.6
1974	451.2	100.0	551.2	146.9	46.3	744.3
1975	495.0	100.6	595.6	159.3	51.1	806.1
1976	560.7	104.5	665.2	171.2	56.6	893.0
1977	657.8	111.5	769.3	189.6	63.6	1,022.6
1978	770.6	120.7	891.3	211.4	70.8	1,173.6
1979	891.1	128.4	1,019.5	235.6	82.7	1,337.7
1980	987.0	137.1	1,124.1	255.7	92.0	1,471.8
1981	1,065.3	136.4	1,201.7	279.9	101.7	1,583.3
1982	1,104.6	140.4	1,245.1	301.9	106.7	1,653.6
1983*	1,211.8	151.4	1,363.2	347.8	109.4	1,820.4

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Federal Reserve Board.

15. MORTGAGE LOANS OUTSTANDING, BY TYPE OF PROPERTY AND LENDER, YEAR-END 1983*

(BILLIONS OF DOLLARS)

Lender	Residential Properties: One- to Four-family	Residential Properties: Multifamily	Residential Properties: Total	Comercial Properties	Farm Properties	Total Mortgage Loans
Savings Associations	$ 389.4	$ 42.4	$ 431.7	$ 61.7	†	$ 493.4
Savings Banks	95.2	18.0	113.2	20.1	†	133.3
Savings Institutions	$ 484.6	$ 60.4	$ 544.9	$ 81.8	†	$ 626.7
Commercial Banks	182.7	18.0	200.7	119.9	$ 9.2	329.7
Life Insurance Companies	15.5	19.2	34.7	102.7	12.8	150.2
All Others	529.0	53.8	582.9	43.4	87.4	$ 713.8
Total	$1,211.8	$151.4	$1,363.2	$347.8	$109.4	$1,820.4

Note: Components may not add to totals due to rounding.
*Preliminary.
†Less than $50 million.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

16. RESIDENTIAL MORTGAGE LOANS OUTSTANDING AND SAVINGS INSTITUTIONS' SHARE, 1983*

(DOLLAR AMOUNTS IN BILLIONS)

Item	One- to Four-family: Year-end Total	One- to Four-family: 1983 Increase	Multifamily: Year-end Total	Multifamily: 1983 Increase	Total Residential: Year-end Total	Total Residential: 1983 Increase
Savings Associations	$ 389.4	$ – 2.8	$ 42.4	$ 3.5	$ 431.7	$ 0.7
Savings Banks	95.2	28.5	18.0	2.7	113.2	31.2
Savings Institutions	$ 484.6	$ 25.7	$ 60.4	$ 6.2	$ 544.9	$ 31.9
All Lenders	1,211.8	107.2	151.4	11.0	1,363.2	118.1
All Private Lenders†	872.4	32.3	125.0	9.9	997.4	42.2
	Percentage Share of Market					
Total Market						
Savings Associations	32.1%	‡	28.0%	31.8%	31.7%	0.6%
Savings Banks	7.9	26.6%	11.9	24.5	8.3	26.4
Savings Institutions	40.0%	24.0%	39.9%	56.4%	40.0%	27.0%
Private Market†						
Savings Associations	44.6%	‡	33.9%	35.4%	43.3%	1.7%
Savings Banks	10.9	88.2%	14.4	27.3	11.3	73.9
Savings Institutions	55.5%	79.6%	48.3%	62.6%	54.6%	75.6%

Note: Components may not add to totals due to rounding.
*Preliminary.
†Excludes holdings of federal agencies, the U.S. government and mortgage pools.
‡Not calculable.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

17. ANNUAL CHANGE IN AGENCY-SUPPORTED RESIDENTIAL DEBT

(DOLLAR AMOUNTS IN MILLIONS)

Year	FNMA and GNMA Holdings	FHLMC Holdings	FHLB Advances	Total Agency Support	All Residential Debt	Agency Support as a % of All Residential Debt
1960	$ 759		$ – 153	$ 606	$ 12,600	4.8%
1965	– 42		672	630	20,700	3.0
1970	4,911	$ 325	1,326	6,562	22,800	28.8
1971	2,395	643	– 2,679	359	40,200	0.9
1972	1,801	820	43	2,664	56,600	4.7
1973	3,300	816	7,168	11,284	53,600	21.1
1974	6,222	1,982	6,657	14,861	42,600	34.9
1975	4,838	401	– 3,959	1,280	44,400	2.9
1976	– 2,117	– 718	– 1,983	– 4,818	69,600	– 6.9
1977	884	– 1,002	4,311	4,193	104,100	4.0
1978	8,791	– 176	12,497	21,112	122,000	17.3
1979	8,123	961	9,168	18,252	128,200	14.2
1980	7,026	1,004	7,125	15,155	104,600	14.5
1981	4,208	181	16,231	20,620	77,600	26.6
1982	9,864	– 504	807	10,167	43,400	23.4
1983*	5,272	2,433	– 7,048	657	118,100	0.6

*Preliminary.
Sources: Federal Home Loan Bank Board; Federal Home Loan Mortgage Corporation; Federal National Mortgage Association; Federal Reserve Board; Government National Mortgage Association.

18. ONE- TO FOUR-FAMILY MORTGAGE LOANS OUTSTANDING, BY LENDER

(BILLIONS OF DOLLARS)

Year-end	Savings Associations	Savings Banks	Commercial Banks	Life Insurance Companies	Federally Supported Agencies†	All Others	Total
1960	$ 55.4	$20.6	$ 19.2	$24.9	$ 7.1	$ 14.7	$ 141.9
1965	94.2	33.8	30.4	29.6	6.6	25.9	220.5
1970	124.5	42.1	42.3	26.8	24.7	37.7	298.1
1971	141.0	43.4	48.0	24.6	30.5	40.8	328.3
1972	165.6	46.2	57.0	22.3	36.1	45.0	372.2
1973	187.1	48.8	68.0	20.4	41.9	49.3	415.5
1974	201.0	49.2	74.8	19.0	52.0	55.2	451.2
1975	223.9	50.0	77.0	17.6	66.0	60.5	495.0
1976	260.8	53.1	86.2	16.1	77.6	66.9	560.7
1977	310.7	58.0	105.1	14.7	96.3	73.0	657.8
1978	356.1	63.3	129.2	14.4	119.6	88.0	770.6
1979	394.3	66.1	149.5	16.2	152.9	112.1	891.1
1980	419.8	67.5	160.3	17.9	181.9	139.6	987.0
1981	433.1	68.2	170.0	17.2	203.4	173.4	1,065.3
1982	392.2	66.8	173.2	16.7	264.5	191.2	1,104.6
1983*	389.4	95.2	182.7	15.5	339.4	189.6	1,211.8

*Preliminary.
†Includes mortgage pools.
Source: Federal Reserve Board.

19. MULTIFAMILY MORTGAGE LOANS OUTSTANDING, BY LENDER
(BILLIONS OF DOLLARS)

Year-end	Savings Associations	Savings Banks	Commercial Banks	Life Insurance Companies	All Others	Total
1960	$ 2.2	$ 3.7	$ 1.1	$ 3.9	$ 9.4	$ 20.3
1965	8.1	6.3	2.0	8.8	12.0	37.2
1970	13.8	7.8	3.3	16.0	19.2	60.1
1971	17.5	9.6	4.0	16.7	22.3	70.1
1972	21.0	10.9	5.8	17.3	27.8	82.8
1973	22.8	12.3	6.9	18.5	32.6	93.1
1974	23.8	12.9	7.6	19.6	36.1	100.0
1975	25.5	13.8	5.9	19.6	35.8	100.6
1976	28.4	14.2	8.1	19.2	34.6	104.5
1977	32.5	15.0	9.2	18.8	36.0	111.5
1978	36.1	15.9	10.3	19.0	39.4	120.7
1979	37.6	16.6	11.2	19.3	43.7	128.4
1980	38.1	16.1	12.9	19.5	50.5	137.1
1981	37.7	16.0	15.1	19.3	48.3	136.4
1982	38.9	15.3	16.4	18.8	51.0	140.4
1983*	42.4	18.0	18.0	19.2	53.8	151.4

*Preliminary.
Source: Federal Reserve Board.

20. LONG-TERM INTEREST RATES

Year	Conventional Loans on New Homes, Effective Interest Rate	New Aaa Utility Issues Yield	Corporate Aaa Bond Yield	Spread between Conventional Loan Rate and Utilities Yield	Spread between Conventional Loan Rate and Corporate Bond Yield
1965	5.81%	4.50%	4.49%	1.31%	1.32%
1970	8.45	8.68	8.04	−0.23	0.41
1971	7.74	7.62	7.39	0.12	0.35
1972	7.60	7.31	7.21	0.29	0.39
1973	7.96†	7.74	7.44	0.22	0.52
1974	8.92	9.33	8.57	−0.41	0.35
1975	9.00	9.40	8.83	−0.40	0.17
1976	9.00	8.48	8.43	0.52	0.57
1977	9.02	8.19	8.02	0.83	1.00
1978	9.56	8.96	8.73	0.60	0.83
1979	10.78	10.03	9.63	0.75	1.15
1980	12.66	12.74	11.94	−0.08	0.72
1981	14.70	15.56	14.17	−0.86	0.53
1982	15.14	14.41	13.79	0.73	1.35
1983	12.66	12.06	12.04	0.60	0.62

†New series.
Sources: Federal Home Loan Bank Board; Federal Reserve Board; Moody's Investors Service.

21. EFFECTIVE INTEREST RATES ON CONVENTIONAL HOME MORTGAGE LOANS CLOSED

Month	All Major Lenders		Savings Associations		Savings Banks	
	Fixed Rate Loans	Adjustable Rate Loans	All Home Loans	% with Adjustable Rate	All Home Loans	% with Adjustable Rate
1983:						
January	13.54%	13.52%	13.65%	37%	13.88%	32%
February	13.47	13.02	13.31	30	13.55	39
March	13.29	12.91	13.11	31	13.26	31
April	12.82	12.68	12.89	29	13.12	32
May	12.92	12.48	12.80	26	12.86	40
June	12.79	12.27	12.70	28	12.64	38
July	12.80	12.08	12.64	29	12.61	30
August	12.89	12.18	12.73	38	12.63	37
September	13.13	12.41	12.79	51	12.79	38
October	12.94	12.26	12.66	59	12.39	56
November	12.97	12.19	12.55	62	12.31	63
December	13.00	11.97	12.40	63	12.21	56
1984:						
January	12.82	11.80	12.23	64	12.07	70
February	12.85	11.74	12.22	63	11.83	66
March	12.82	11.75	12.16	66	12.06	68
April	12.91	11.52	12.06	66	11.88	65
May	12.96	11.65	12.08	69	12.38	56
June*	13.10	11.78	12.18	67	12.35	72

*Preliminary.
Source: Federal Home Loan Bank Board.

22. TERMS ON CONVENTIONAL MORTGAGE LOANS

Item	Dec. 1980	Dec. 1981	Dec. 1982	Dec. 1983
New Single-family Homes:				
Interest rate	12.86%	15.23%	13.09%	11.95%
Loan fees	2.15%	2.87%	2.98%	2.62%
Maturity in years	28.20	27.70	26.90	27.30
Loan-to-price ratio	72.90%	75.30%	75.20%	78.80%
Average purchase price	$90,100	$88,700	$91,800	$93,100
Existing Single-family Homes:				
Interest rate	13.15%	15.53%	13.44%	11.97%
Loan fees	2.12%	2.30%	2.47%	2.42%
Maturity in years	26.50	25.30	24.80	26.30
Loan-to-price ratio	73.70%	70.60%	72.30%	76.30%
Average purchase price	$65,300	$70,000	$71,600	$77,300

Source: Federal Home Loan Bank Board.

23. MORTGAGE PORTFOLIO OF ALL SAVINGS INSTITUTIONS

Year-end	Loans Outstanding (Millions of Dollars)†			Number of Loans (Thousands)	Average Loan Balance
	One- to Four-family Homes	Other Properties	Total		
			Savings Associations		
1960	$ 55,386	$ 4,684	$ 60,070	7,567	$ 7,938
1965	94,225	16,081	110,306	9,982	11,051
1970	124,543	25,788	150,331	10,951	13,728
1971	141,650	32,600	174,250	11,483	15,175
1972	166,410	39,772	206,182	12,223	16,869
1973	187,078	44,655	231,733	12,821	18,075
1974	200,987	48,314	249,301	12,912	19,308
1975	223,903	54,687	278,590	13,446	20,719
1976	260,794	62,211	323,005	13,933	23,183
1977	310,686	70,477	381,163	14,873	25,627
1978	356,114	76,694	432,808	15,480	27,960
1979	394,345	81,343	475,688	15,809	30,090
1980	419,763	83,049	502,812	16,059	31,311
1981	433,142	85,405	518,547	16,088	32,231
1982	392,201	91,413	483,614	15,017	32,204
1983*	389,357	104,075	493,432	n.a.	n.a.
			Savings Banks		
1960	$20,575	$ 6,360	$ 26,935	2,482	$10,850
1965	33,813	10,804	44,617	3,380	13,199
1970	42,149	15,799	57,948	3,711	15,616
1971	43,435	18,543	61,978	3,731	16,613
1972	46,229	21,327	67,556	3,769	17,922
1973	48,811	24,419	73,230	3,776	19,391
1974	49,213	25,707	74,920	3,686	20,324
1975	50,025	27,224	77,249	3,659	21,110
1976	53,089	28,550	81,639	3,635	22,459
1977	58,008	30,097	88,105	3,668	24,019
1978	63,260	31,897	95,157	3,699	25,726
1979	66,140	32,768	98,908	3,637	27,193
1980	67,489	32,376	99,865	3,570	27,977
1981	68,187	31,810	99,997	3,504	28,538
1982	66,777	31,028	97,805	3,388	28,867
1983*	95,249	38,076	133,325	n.a.	n.a.

n.a. = not available.
*Preliminary.
†Beginning with 1970, includes (1) junior liens, (2) real estate sold on contract, and (3) collateral loans secured by assignment of first mortgage loans; beginning with 1973, excludes certain government-insured mortgage-type investments.
Sources: Federal Home Loan Bank Board; Federal Reserve Board; National Council of Savings Institutions; United States League of Savings Institutions.

24. MORTGAGE LENDING ACTIVITY OF ALL SAVINGS ASSOCIATIONS
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Outstanding at Year-end[1]	Total Loans Acquired	Total Portfolio Inflows[2]	Turnover Ratio[3]
1960	$ 60,070	$ 15,206	$ 7,803	13.8%
1965	110,306	26,667	16,975	16.0
1970	150,331	25,244	14,787	10.2
1971	174,250	47,159	22,979	14.2
1972	206,182	62,261	30,090	15.8
1973	231,733	56,819	30,868	14.1
1974	249,301	45,003	27,377	11.4
1975	278,590	63,782	34,209	13.0
1976	323,005	91,844	46,773	15.5
1977	381,163	122,151	63,541	18.0
1978	432,808	121,482	68,940	16.9
1979	475,688	112,778	69,289	15.3
1980	503,192	85,722	57,529	11.8
1981	518,547	63,989	47,898	9.4
1982	483,614	78,023	103,557	[4]
1983*	493,432	180,402	124,331	25.5

*Preliminary.
[1]Beginning with 1970, includes (1) junior liens; (2) real estate sold on contract; and (3) collateral loans secured by the assignment of first mortgage loans; beginning with 1973, excludes participation certificates guaranteed by FHLMC, loans and notes insured by the Farmers Home Administration, and certain other government-insured mortgage-type investments; beginning with 1982, excludes certain balances which had been reported as liabilities.
[2]Repayments plus sales of loans and participations.
[3]Total inflows as a percentage of average mortgage portfolio.
[4]Not available on a comparable basis.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

25. MORTGAGE LENDING ACTIVITY OF ALL SAVINGS BANKS
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Outstanding at Year-end	Total Loans Acquired	Total Portfolio Inflows†	Turnover Ratio‡
1970	$ 57,948	$ 6,125	$ 4,283	7.5%
1971	61,978	9,469	6,005	10.0
1972	67,556	12,585	7,754	12.0
1973	73,230	13,008	7,907	11.2
1974	74,920	8,572	6,944	9.4
1975	77,249	8,878	7,336	9.6
1976	81,639	12,092	8,362	10.5
1977	88,105	15,269	8,935	10.5
1978	95,157	15,535	9,727	10.6
1979	98,908	13,981	8,886	9.2
1980	99,865	8,202	7,484	7.5
1981	99,997	5,641	6,806	6.8
1982	97,805	6,955	8,984	9.1
1983*	133,325	17,286	15,339	13.3

*Preliminary.
†Repayments plus sales of loans and participations.
‡Total inflows as a percentage of average mortgage portfolio.
Sources: Department of Housing and Urban Development; Federal Reserve Board.

26. MORTGAGE LOANS ACQUIRED BY FSLIC-INSURED ASSOCIATIONS
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Closed	Loans and Participations Purchased	Total Loans Acquired	Purchases as a % of Total Loans Acquired
1960	$ 13,802	$ 851	$ 14,653	5.8%
1965	23,309	2,385	25,694	9.3
1970	20,760	3,745	24,505	15.3
1971	38,341	7,529	45,870	16.4
1972	50,024	10,612	60,636	17.5
1973	48,193	7,229	55,422	13.0
1974	38,050	5,904	43,954	13.4
1975	53,799	8,544	62,343	13.7
1976	77,103	12,799	89,902	14.2
1977	105,287	14,497	119,784	12.1
1978	108,273	10,984	119,257	9.2
1979	98,730	12,012	110,742	10.8
1980	71,270	12,956	84,226	15.4
1981	52,332	10,516	62,848	16.7
1982	53,356	23,314	76,670	30.4
1983*	132,441	44,162	176,603	25.0

*Preliminary.
Source: Federal Home Loan Bank Board.

27. MORTGAGE LOANS ACQUIRED BY ALL SAVINGS BANKS
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Closed	Loans and Participations Purchased	Total Loans Acquired	Purchases as a % of Total Loans Acquired
1970	$ 4,316	$1,809	$ 6,125	29.5%
1971	7,036	2,433	9,469	25.7
1972	9,363	3,222	12,585	25.6
1973	10,491	2,517	13,008	19.3
1974	7,051	1,521	8,572	17.7
1975	7,127	1,751	8,878	19.7
1976	9,511	2,581	12,092	21.3
1977	11,860	3,409	15,269	22.3
1978	12,291	3,244	15,535	20.9
1979	11,090	2,891	13,981	20.7
1980	6,990	1,212	8,202	14.8
1981	5,270	371	5,641	6.6
1982	5,424	1,531	6,955	22.0
1983*	14,545	2,741	17,286	15.9

*Preliminary.
Source: Department of Housing and Urban Development.

28. MORTGAGE PORTFOLIO INFLOWS AT FSLIC-INSURED SAVINGS ASSOCIATIONS

(DOLLAR AMOUNTS IN MILLIONS)

Year	Loan Repayments	Loans and Participations Sold	Total Inflows	Sales as a Percentage of Total Inflows
1970	$13,247	$ 1,108	$ 14,355	7.7%
1971	20,186	2,165	22,351	9.7
1972	25,591	3,714	29,305	12.7
1973	26,652	3,457	30,109	11.5
1974	23,231	3,505	26,736	13.1
1975	28,230	5,206	33,436	15.6
1976	37,337	8,447	45,784	18.4
1977	48,467	13,846	62,313	22.2
1978	52,196	15,485	67,681	22.9
1979	49,713	18,331	68,044	26.9
1980	40,673	15,855	56,528	28.0
1981	34,432	12,614	47,046	26.8
1982	48,329	53,432	101,761	52.5
1983*	68,453	53,260	121,713	43.8

*Preliminary.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

29. MORTGAGE PORTFOLIO INFLOWS AT ALL SAVINGS BANKS

(DOLLAR AMOUNTS IN MILLIONS)

Year	Loan Repayments†	Loans and Participations Sold	Total Inflows	Sales as a Percentage of Total Inflows
1970	$ 4,000	$ 283	$ 4,283	6.6%
1971	5,735	270	6,005	4.5
1972	7,413	341	7,754	4.4
1973	7,641	266	7,907	3.4
1974	6,568	376	6,944	5.4
1975	7,067	269	7,336	3.7
1976	7,814	548	8,362	6.6
1977	8,651	284	8,935	3.2
1978	9,375	352	9,727	3.6
1979	8,309	577	8,886	6.5
1980	6,702	782	7,484	10.4
1981	6,322	484	6,806	7.1
1982	6,766	2,218	8,984	24.7
1983*	12,142	3,197	15,339	20.8

*Preliminary.
†For 1970-1976, estimated by subtracting net gain in mortgage portfolio from new loans acquired.
Sources: Department of Housing and Urban Development; National Council of Savings Institutions.

30. MORTGAGE LOANS MADE BY ALL ASSOCIATIONS, BY PURPOSE OF LOAN

(MILLIONS OF DOLLARS)

Year	Home Construction	Home Purchase	All Other Purposes	Total
1960	$ 4,678	$ 6,132	$ 3,494	$ 14,304
1965	6,013	10,830	7,349	24,192
1970	4,150	10,238	6,998	21,386
1971	6,824	18,779	13,816	39,419
1972	8,548	26,594	16,227	51,369
1973	8,424	28,219	12,769	49,412
1974	6,503	22,641	9,814	38,958
1975	8,690	30,716	15,634	55,040
1976	12,960	45,727	20,089	78,776
1977	18,196	62,519	26,653	107,368
1978	20,136	65,585	24,573	110,294
1979	18,565	60,744	21,237	100,546
1980	13,515	41,919	17,103	72,537
1981	10,315	27,546	15,422	53,283
1982	9,129	20,462	24,707	54,298
1983*	18,488	50,172	66,630	135,290

*Preliminary.
Source: Federal Home Loan Bank Board.

31. ONE- TO FOUR-FAMILY HOMES FINANCED BY ALL ASSOCIATIONS

Year	Thousands of Homes†		
	New Homes	Existing Homes	Total
1960	379	609	988
1965	375	823	1,198
1970	160	543	703
1971	247	913	1,160
1972	285	1,175	1,460
1973	660	887	1,547
1974	475	654	1,129
1975	510	853	1,363
1976	680	1,120	1,800
1977	840	1,320	2,160
1978	825	1,220	2,045
1979	690	960	1,650
1980	465	580	1,045
1981	330	345	675
1982	238	269	507
1983	442	674	1,116

†Permanently financed new homes where the association did not make the construction loan were included in existing homes prior to 1973.
Sources: Federal Home Loan Bank Board; U.S. League of Savings Institutions.

32. MORTGAGE LOANS MADE BY FSLIC-INSURED INSTITUTIONS, BY PURPOSE OF LOAN

Item	Millions of Dollars		Distribution of Loans Closed	
	1982	1983*	1982	1983*
Construction Loans:				
One- to Four-family Homes	$ 8,969	$ 18,644	16.8%	13.5%
Apartments	2,588	7,910	4.9	5.7
Other Structures	4,449	12,168	8.3	8.8
Purchase Loans:				
New Single-family Homes	$ 7,249	$ 12,448	13.6%	9.0%
Existing Single-family Homes	12,120	36,821	22.7	26.6
Two- to Four-family Homes	738	2,344	1.4	1.7
One- to Four-family Homes	$20,107	$ 51,613	37.7%	37.3%
Apartments	1,297	3,865	2.4	2.8
Other Improved Real Estate	2,055	5,911	3.9	4.3
Loans Refinanced	7,606	25,207	14.3	18.2
Loans for Other Purposes	6,285	12,886	11.8	9.3
Total Loans Closed	$53,356	$138,203	100.0%	100.0%

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Federal Home Loan Bank Board.

33. PRIVATE AND GOVERNMENT MORTGAGE INSURANCE

(DOLLAR AMOUNTS IN BILLIONS)

Year-end	Private Mortgage Insurance	One- to Four-family FHA/VA Insurance	Insurance as a % of Home Mortgage Debt	Year-end	Private Mortgage Insurance	One- to Four-family FHA/VA Insurance	Insurance as a % of Home Mortgage Debt
1960	$ 0.3	$ 56.4	40.0%	1976	$ 49.3	$133.5	32.6%
1965	3.3	73.1	34.6	1977	62.8	141.6	31.1
1970	7.3	97.3	35.1	1978	80.5	153.4	30.4
1971	9.6	105.2	35.0	1979	95.2	172.9	30.1
1972	17.5	113.0	35.1	1980	105.3	195.2	30.4
1973	27.4	116.2	34.6	1981	114.3	207.6	30.2
1974	33.6	121.3	34.3	1982	124.2	217.9	30.7
1975	40.0	127.7	33.9	1983*	549.8	n.a.	n.a.

n.a. = not available.
*Preliminary.
Sources: Federal Housing Administration; Federal Reserve Board; Mortgage Insurance Companies of America; Veterans Administration.

34. MORTGAGE FORECLOSURES BY FSLIC-INSURED ASSOCIATIONS

	All Mortgage Loans		Conventional Loans		FHA and VA Loans	
Year	Number	Rate[1]	Number	Rate[1]	Number	Rate[1]
1965	53,788	.570%	41,817	.512%	11,971	.947%
1970	19,493	.186	12,777	.141	6,176	.461
1971	20,464	.189	11,278	.121	9,186	.549
1972	22,958	.199	10,045	.104	12,913	.687
1973[2]	25,275	.208	10,639	.103	14,636	.770
1974	24,230	.192	11,945	.112	12,285	.623
1975	24,979	.195	15,538	.142	9,441	.491
1976	22,542	.168	15,800	.138	6,742	.353
1977	19,900	.141	13,468	.110	6,432	.351
1978	17,502	.117	12,214	.092	5,288	.303
1979	16,767	.108	12,764	.092	4,003	.246
1980	20,211	.129	17,050	.120	3,161	.202
1981	29,143	.184	25,689	.179	3,454	.228
1982	51,196	.330	46,866	.332	4,330	.302
1983[3]	27,783	.390	24,962	.386	2,821	.436

[1]Percentage of loans held.
[2]New series.
[3]January through June; foreclosure rates are annualized.
Source: Federal Home Loan Bank Board.

35. PRIVATE AND PUBLIC HOUSING STARTS

Year	Private Units	Public Units	Total Units
1960	1,252,200	43,900	1,296,100
1965	1,472,800	36,900	1,509,700
1970	1,433,600	35,400	1,469,000
1971	2,052,200	32,300	2,084,500
1972	2,356,600	21,900	2,378,500
1973	2,045,300	12,200	2,057,500
1974	1,337,700	14,800	1,352,500
1975	1,160,400	10,900	1,171,400
1976	1,537,500	10,100	1,547,600
1977	1,987,100	14,600	2,001,700
1978	2,020,300	15,800	2,036,100
1979	1,745,100	14,800	1,760,000
1980	1,292,200	20,400	1,312,600
1981	1,084,200	16,100	1,100,300
1982	1,062,200	9,800	1,072,000
1983*	1,703,100	9,400	1,712,600

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Bureau of the Census.

36. PRIVATE HOUSING STARTS, BY REGIONS

(THOUSANDS OF UNITS)

Year	North-east	North Central	South	West
1960	221	292	429	309
1965	270	362	575	266
1970	218	294	612	310
1971	264	434	869	486
1972	330	443	1,057	527
1973	277	440	899	429
1974	183	317	553	285
1975	149	294	442	275
1976	169	400	569	400
1977	202	465	783	538
1978	200	451	824	545
1979	178	349	748	470
1980	125	218	643	306
1981	117	165	562	240
1982	117	149	591	205
1983*	168	217	936	382

*Preliminary.
Source: Bureau of the Census.

37. PRIVATE HOUSING STARTS, BY MONTHS

(SEASONALLY ADJUSTED ANNUAL RATE)

Month	Thousands of Units		
	1981	1982	1983*
January	1,588	877	1,694
February	1,279	911	1,784
March	1,305	920	1,605
April	1,332	911	1,506
May	1,150	1,028	1,807
June	1,047	910	1,736
July	1,035	1,185	1,804
August	949	1,046	1,904
September	900	1,134	1,664
October	866	1,142	1,654
November	839	1,361	1,755
December	906	1,280	1,667

*Preliminary.
Source: Department of Commerce.

38. SUBSIDIZED HOUSING STARTS

Year	Subsidized Units Started	Percentage of Total Starts
1965	62,589	4.1%
1970	429,192	29.2
1971	430,001	20.6
1972	332,300	14.0
1973	181,381	8.8
1974	87,149	6.4
1975	85,876	7.3
1976	130,144	8.4
1977	201,644	10.1
1978	263,322	12.9
1979	257,661	14.6
1980	129,287	9.8
1981	60,151	5.5
1982	87,681	8.2
1983*	40,940	2.4

*Preliminary.
Sources: Bureau of the Census; Department of Housing and Urban Development.

39. ANNUAL DOLLAR VOLUME OF NEW CONSTRUCTION
(DOLLAR AMOUNTS IN BILLIONS)

Item	1979	1980	1981	1982	1983*
Gross National Product	$2,417.8	$2,631.7	$2,954.1	$3,073.0	$3,309.5
Private Domestic Investment	$ 423.0	$ 401.9	$ 474.9	$ 414.5	$ 471.3
Construction Expenditures:					
Total Private	$ 181.6	$ 175.7	$ 186.1	$ 181.0	$ 214.5
Total Public	48.8	55.0	53.3	51.1	50.3
Total Private and Public	$ 230.4	$ 230.7	$ 239.4	$ 232.0	$ 264.9
Total Private Residential	$ 99.0	$ 87.3	$ 86.6	$ 74.8	$ 112.8
Private Construction as a Percentage of Total Construction	78.8%	76.2%	77.7%	78.0%	81.0%
Private Residential Construction as a Percentage of:					
Gross National Product	4.1%	3.3%	2.9%	2.4%	3.4%
Private Domestic Investment	23.4	21.7	18.2	18.0	23.9
Total Private Construction	54.5	49.7	46.5	41.3	52.6
Total Private and Public Construction	43.0	37.8	36.2	32.2	42.6

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Department of Commerce.

40. PRIVATE HOUSING STARTS, BY NUMBER OF FAMILY UNITS

Year	One-family	Two-family	Three- and Four-family	Five or More	Total
1960	994,700	44,000	213,400		1,252,200
1965	963,700	50,800	35,800	422,500	1,472,800
1970	812,900	42,400	42,400	535,900	1,433,600
1971	1,151,000	55,100	65,200	780,900	2,052,200
1972	1,309,200	67,100	74,200	906,200	2,356,600
1973	1,132,000	54,200	64,100	795,000	2,045,300
1974	888,100	33,200	34,900	381,600	1,337,700
1975	892,200	34,500	29,500	204,300	1,160,400
1976	1,162,400	44,000	41,900	289,200	1,537,500
1977	1,450,900	60,700	61,000	414,400	1,987,100
1978	1,433,300	62,200	62,800	462,000	2,020,300
1979	1,194,100	56,100	65,900	429,000	1,745,100
1980	852,200	48,800	60,700	330,500	1,292,200
1981	705,400	38,200	52,900	287,700	1,084,200
1982	662,600	31,900	48,100	319,600	1,062,200
1983*	1,066,900	42,300	72,600	521,300	1,703,100

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Bureau of the Census.

41. PRIVATE STARTS OF APARTMENTS

Year	Number of Buildings†	Number of Units	Year	Number of Buildings†	Number of Units
1965	24,300	422,500	1977	30,500	414,400
1970	31,700	535,900	1978	31,700	462,000
1971	48,900	780,900	1979	30,600	429,000
1972	56,800	906,200	1980	22,600	330,500
1973	50,800	795,000	1981	19,700	287,700
1974	25,500	381,600	1982	21,800	319,600
1975	14,700	204,300	1983*	38,100	521,300
1976	21,600	289,200			

*Preliminary.
†Apartment buildings with five or more units.
Source: Bureau of the Census.

42. NEW ONE-FAMILY HOMES SOLD, BY PRICE
(THOUSANDS)

Year	Less than $40,000	$40,000-49,999	$50,000-59,999	$60,000-74,999	$75,000-99,999	$100,000 or More
1973	457	98	40	22	16	
1974	332	98	48	26	14	
1975	288	127	65	44	25	
1976	250	168	100	76	51	
1977	233	200	149	123	78	37
1978	142	175	156	157	119	69
1979	74	110	135	158	132	100
1980	50	87	97	119	98	94
1981	29	59	70	97	86	96
1982	13	53	68	105	86	86
1983*	14	51	84	163	159	154

*Preliminary.
Source: Bureau of the Census and Department of Housing and Urban Development.

43. NEW AND EXISTING ONE-FAMILY HOMES SOLD

	Number (Thousands)			Dollar Volume (Billions)			Median Price	
Year	New Homes	Existing Homes	Total Homes	New Homes†	Existing Homes	Total Homes	New Homes	Existing Homes
1970	485	1,612	2,097	$12.9	$ 41.4	$ 54.3	$23,400	$23,000
1971	656	2,018	2,674	18.6	56.5	75.1	25,200	24,800
1972	718	2,252	2,970	21.9	67.8	89.7	27,600	26,700
1973	634	2,334	2,968	22.5	76 8	99.3	32,500	28,900
1974	519	2,272	2,791	20.2	81.3	101.5	35,900	32,000
1975	549	2,476	3,025	23.4	96.6	120.0	39,300	35,300
1976	646	3,064	3,710	31.0	129.3	160.3	44,200	38,100
1977	819	3,650	4,469	44.4	174.8	219.2	48,800	42,900
1978	817	3,986	4,803	51.1	221.2	272.3	55,700	48,700
1979	709	3,827	4,536	50.9	245.7	296.6	62,900	55,700
1980	545	2,973	3,518	41.6	216.4	258.0	64,600	62,200
1981	436	2,419	2,855	36.2	189.4	225.6	68,900	66,400
1982	412	1,990	2,402	34.6	160.2	194.8	69,300	67,800
1983*	625	2,717	3,342	55.9	225.8	281.7	75,100	70,300

*Preliminary.
†Computed from number of homes sold and average sales price.
Sources: Bureau of the Census; National Association of Realtors.

44. INVENTORY OF UNSOLD SPECULATIVELY BUILT ONE-FAMILY HOMES AND NUMBER OF MONTHS REQUIRED TO CLEAR INVENTORY

(SEASONALLY ADJUSTED ANNUAL RATES)

Month	Unsold Homes (Thousands)			Months to Clear Inventory		
	1981	1982	1983*	1981	1982	1983*
January	334	275	259	7.9	8.5	5.2
February	338	274	263	8.1	9.0	5.4
March	328	268	262	7.7	8.6	5.2
April	329	264	266	8.5	9.3	5.1
May	326	258	273	8.3	8.2	4.9
June	318	254	284	9.2	8.3	5.4
July	312	250	289	9.1	8.5	5.9
August	308	248	296	10.0	7.5	6.5
September	303	247	298	11.6	6.9	6.7
October	292	245	301	10.3	6.1	5.9
November	283	246	310	9.0	5.5	6.0
December	273	251	302	7.0	5.7	4.5

*Preliminary
Source: Bureau of the Census and Department of Housing and Urban Development

45. MOBILE HOME SHIPMENTS

Year	Number of Units	% of Private Starts	
		Total	Single-family†
1960	103,700	8.3%	9.4%
1965	216,470	14.7	18.3
1970	401,190	28.0	33.0
1971	496,570	24.2	30.1
1972	575,940	24.4	30.6
1973	566,920	27.7	33.4
1974	329,300	24.6	27.0
1975	212,690	18.3	19.2
1976	246,120	16.0	17.5
1977	277,000	13.9	16.0
1978	275,900	13.7	16.1
1979	277,400	15.9	18.9
1980	221,600	17.1	20.6
1981	240,900	22.2	25.5
1982	239,600	22.6	26.6
1983*	295,600	17.4	21.7

*Preliminary.
†Single-family conventional homes and mobile homes.
Sources: Department of Commerce; Manufactured Housing Institute; National Conference of States on Building Codes and Standards.

46. RESIDENTIAL CONSTRUCTION COSTS AND CONSUMER PRICES

Year	Boeckh Index†	Percentage Change	
		Residential Construction Costs	Consumer Prices
1960	37.8	1.6%	1.6%
1965	41.8	3.2	1.7
1970	56.6	5.4	5.9
1971	61.3	8.3	4.3
1972	67.3	9.8	3.4
1973	73.5	9.2	6.2
1974	79.5	8.2	11.0
1975	84.8	6.7	9.1
1976	91.7	8.1	5.8
1977	100.0	9.1	6.5
1978	109.0	9.0	7.7
1979	119.0	9.2	11.3
1980	128.9	8.3	13.5
1981	136.0	5.5	10.4
1982	147.5	8.5	6.1
1983	156.2	5.9	3.2

†Boeckh Index of Residential Construction Costs: 1977 = 100
Sources: E. H. Boeckh and Associates; Department of Labor

47. HOMEOWNERSHIP, 1890-1981

Year	Occupied Units	Owner-occupied Units	Renter-occupied Units	Percentage Owned	Percentage Rented
1890	12,690,000	6,066,000	6,624,000	47.8%	52.2%
1900	15,964,000	7,455,000	8,509,000	46.7	53.3
1910	20,256,000	9,301,000	10,955,000	45.9	54.1
1920	24,352,000	11,114,000	13,238,000	45.6	54.4
1930	29,905,000	14,280,000	15,625,000	47.8	52.2
1940	34,855,000	15,196,000	19,659,000	43.6	56.4
1950	42,826,000	23,560,000	19,266,000	55.0	45.0
1960	53,024,000	32,797,000	20,227,000	61.9	38.1
1970	63,445,000	39,886,000	23,559,000	62.9	37.1
1975	72,523,000	46,867,000	25,656,000	64.6	35.4
1980	80,776,000	52,516,000	27,560,000	65.6	34.4
1981	83,175,000	54,342,000	28,833,000	65.3	34.7

Source: Bureau of the Census

48. NUMBER OF FAMILIES AND HOUSEHOLDS

	Total (Thousands)			Annual Change (Thousands)		
Year†	All Households	Families	Other Households	All Households	Families	Other Households
1960	52,799	45,111	7,688	1,364	879	485
1965	57,436	47,956	9,480	1,287	416	871
1970	63,401	51,586	11,815	1,187	763	424
1971	64,778	52,227	12,551	1,377	641	736
1972	66,676	53,296	13,380	1,898	1,069	829
1973	68,251	54,373	13,878	1,575	1,077	498
1974	69,859	55,053	14,806	1,608	680	928
1975	71,120	55,712	15,408	1,261	659	602
1976	72,867	56,245	16,622	1,747	533	1,214
1977	74,142	56,710	17,432	1,275	465	810
1978	76,030	57,215	18,815	1,888	505	1,383
1979	77,330	57,804	19,526	1,300	589	711
1980	80,776	59,550	21,226	3,446	1,746	1,700
1981	82,368	60,309	22,059	1,592	759	833
1982	83,527	61,019	22,508	1,159	710	449
1983	83,918	61,393	22,525	391	374	17

†As of March
Source: Bureau of the Census

49. APARTMENT ABSORPTION RATES†

Year	1st Q	2nd Q	3rd Q	4th Q
1970	69%	74%	77%	65%
1971	68	69	72	62
1972	61	73	69	67
1973	64	74	76	63
1974	67	73	72	60
1975	61	72	75	75
1976	79	86	79	78
1977	77	83	83	78
1978	79	84	83	81
1979	83	84	82	81
1980	72	79	76	70
1981	77	84	79	81
1982	76	79	73	61
1983	59	69	78	

†Percentage of units rented within three months after completion.
Source: Bureau of the Census.

50. RENTAL AND HOMEOWNER VACANCY RATES

Year	Rental Units	Homeowner Units
1960	8.1%	1.3%
1965	8.3	1.5
1970	5.3	1.0
1971	5.4	1.0
1972	5.6	1.0
1973	5.8	1.0
1974	6.2	1.2
1975	6.0	1.2
1976	5.6	1.2
1977	5.2	1.2
1978	5.0	1.1
1979	5.4	1.1
1980	5.4	1.3
1981	5.0	1.4
1982	5.3	1.5
1983	5.6	1.5

Source: Bureau of the Census.

Savings Institution Operations Data

51. TOTAL ASSETS OF FINANCIAL INTERMEDIARIES AT YEAR-END (BILLIONS OF DOLLARS)

Financial Intermediary	1960	1965	1970	1975	1980	1983*
Commercial Banks	$257.6	$377.3	$ 576.2	$ 964.9	$1,703.7	$2,113.1
Savings Institutions:						
Savings Associations	71.5	129.6	176.2	338.2	630.7	771.7
Savings Banks	40.6	58.2	79.0	121.1	171.6	249.1
Total	112.1	187.8	255.2	459.3	802.3	1,020.8
Life Insurance Companies	119.6	158.9	207.3	289.3	479.2	659.0
Private Pension Funds	38.1	73.6	110.4	146.8	286.8	374.4
State and Local Pension Funds	19.7	34.1	60.3	104.8	198.1	303.2
Finance Companies	27.6	44.7	64.0	98.8	198.7	252.7
Money Market Funds	...	...	...	3.7	74.4	162.5
Investment Companies	17.0	35.2	47.6	42.2	58.4	113.6
Credit Unions	6.3	11.0	18.0	36.9	71.6	103.1
Total	$598.0	$922.6	$1,339.0	$2,146.7	$3,873.2	$5,102.4

*Preliminary.
Sources: CUNA International, Inc.; Federal Home Loan Bank Board; Federal Reserve Board; Institute of Life Insurance; Investment Company Institute; National Council of Savings Institutions; United States League of Savings Institutions.

52. NUMBER AND ASSETS OF ALL SAVINGS INSTITUTIONS, BY STATE, DECEMBER 31, 1983*

State	All Savings Associations		All Savings Banks		All Savings Institutions	
	Number of Associations	Total Assets (Millions)	Number of Banks	Total Assets (Millions)	Number of Institutions	Total Assets (Millions)
Alabama	35	$ 5,740	2	$ 81	37	$ 5,821
Alaska	5	490	1	n.a.	6	n.a.
Arizona	8	10,253	0	0	8	10,253
Arkansas	37	5,453	3	992	40	6,445
California	172	186,811	9	7,479	181	194,290
Colorado	37	10,030	2	611	39	10,641
Connecticut	32	7,268	61	21,136	93	28,404
Delaware	14	301	2	n.a.	16	n.a.
District of Columbia	6	2,303	1	997	7	3,300
Florida	113	61,611	5	3,485	118	65,096
Georgia	65	9,199	3	3,147	68	12,346
Guam	2	81	0	0	2	81
Hawaii	7	4,294	1	362	8	4,656
Idaho	9	1,357	0	0	9	1,357
Illinois	274	51,202	3	1,739	277	52,941
Indiana	122	10,192	6	n.a.	128	n.a.
Iowa	51	7,225	4	1,061	55	8,286
Kansas	63	9,530	2	190	65	9,720
Kentucky	71	6,628	3	271	74	6,899
Louisiana	103	11,812	8	1,646	111	13,458
Maine	14	637	24	3,543	38	4,180
Maryland	158	16,258	3	2,348	161	18,606
Massachusetts	120	7,278	159	29,321	279	36,599
Michigan	50	27,513	2	1,086	52	28,599
Minnesota	39	11,789	1	201	40	11,990
Mississippi	47	3,257	1	42	48	3,299
Missouri	85	18,208	2	79	87	18,287
Montana	9	907	2	252	11	1,159
Nebraska	24	6,809	2	164	26	6,973
Nevada	7	2,963	0	0	7	2,963
New Hampshire	8	791	28	4,141	36	4,932
New Jersey	163	35,200	19	13,912	182	49,112
New Mexico	23	3,293	3	391	26	3,684
New York	76	18,090	96	101,979	172	120,069
North Carolina	147	14,814	1	98	148	14,912
North Dakota	6	2,435	1	444	7	2,879
Ohio	304	44,139	6	4,060	310	48,199
Oklahoma	49	7,766	5	550	54	8,316
Oregon	21	7,195	3	n.a.	24	n.a.
Pennsylvania	252	28,171	11	17,551	263	45,722
Puerto Rico	8	2,264	4	1,377	12	3,641
Rhode Island	4	906	6	2,365	10	3,271
South Carolina	43	6,829	2	963	45	7,792
South Dakota	16	1,258	1	58	17	1,316
Tennessee	70	7,814	6	1,072	76	8,886
Texas	270	56,361	3	336	273	56,697
Utah	15	5,407	0	0	15	5,407
Vermont	3	62	6	n.a.	9	n.a.
Virginia	66	12,809	3	3,387	69	16,196
Washington	41	8,697	13	9,688	54	18,385
West Virginia	19	1,528	1	519	20	2,047
Wisconsin	86	14,037	2	n.a.	88	n.a.
Wyoming	11	1,062	2	268	13	1,330
Entire U.S.	3,513	$771,705	534	$249,118	4,047	$1,020,823

n.a. = not available.
Note: Components do not add to totals because of differences in reporting dates and accounting systems.
*Preliminary.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions; U.S. League of Savings Institutions.

53. NUMBER AND ASSETS OF ALL SAVINGS ASSOCIATIONS, BY CHARTER

Year-end	Federally Chartered†	State-chartered			Grand Total
		Total	FSLIC-insured	Noninsured‡	
1960	1,873	4,447	2,225	2,222	6,320
1965	2,011	4,174	2,497	1,677	6,185
1970	2,067	3,602	2,298	1,304	5,669
1971	2,049	3,425	2,222	1,203	5,474
1972	2,044	3,254	2,147	1,107	5,298
1973	2,040	3,130	2,123	1,007	5,170
1974	2,060	2,963	2,081	882	5,023
1975	2,048	2,883	2,030	853	4,931
1976	2,019	2,802	2,025	777	4,821
1977	2,012	2,749	2,053	696	4,761
1978	2,000	2,725	2,053	672	4,725
1979	1,989	2,695	2,050	645	4,684
1980	1,985	2,628	2,017	611	4,613
1981	1,907	2,385	1,872	513	4,292
1982	1,727	2,098	1,616	482	3,825
1983*	1,553	1,960	1,487	473	3,513
		Millions of Dollars			
1960	$ 38,511	$ 32,965	$ 28,919	$ 4,046	$ 71,476
1965	66,715	62,865	57,861	5,004	129,580
1970	96,259	79,924	74,386	5,538	176,183
1971	114,229	91,794	85,755	6,039	206,023
1972	135,925	107,202	100,424	6,778	243,127
1973	152,240	119,665	112,557	7,108	271,905
1974	167,671	127,874	120,552	7,322	295,545
1975	195,410	142,823	134,849	7,974	338,233
1976	225,763	166,144	157,409	8,735	391,907
1977	261,920	197,321	188,078	9,243	459,241
1978	298,195	225,347	215,115	10,232	523,542
1979	323,058	255,904	245,049	10,855	578,962
1980	348,461	281,368	270,004	11,364	629,829
1981	407,351	256,816	243,717	13,099	664,167
1982	483,898	223,748	208,765	14,983	707,646
1983*	499,254	272,451	254,946	17,505	771,705

*Preliminary.
†All federally chartered associations are insured by the Federal Savings and Loan Insurance Corporation.
‡Includes the assets of institutions insured by state insuring agencies.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

54. NUMBER AND ASSETS OF ALL SAVINGS BANKS, BY INSURANCE STATUS

Year-end	Total Insured				Grand Total
	Total†	By FDIC	By FSLIC	By State Funds	
1960	502	325	. . .	185	515
1965	501	330	. . .	179	506
1970	493	329	. . .	172	494
1971	489	327	. . .	170	490
1972	485	326	. . .	167	486
1973	481	322	. . .	167	482
1974	479	320	. . .	167	480
1975	475	329	. . .	166	476
1976	473	331	. . .	166	473
1977	467	323	. . .	166	467
1978	465	325	. . .	163	465
1979	463	324	. . .	163	463
1980	463	323	3	162	463
1981	448	331	6	159	448
1982	424	315	6	155	424
1983*	n.a.	294	143	n.a.	534
	Millions of Dollars				
1960	n.a.	$ 35,092	. . .	n.a.	$ 40,571
1965	n.a.	50,500	. . .	n.a.	58,232
1970	n.a.	68,740	. . .	n.a.	78,995
1971	n.a.	77,892	. . .	n.a.	89,581
1972	n.a.	87,650	. . .	n.a.	100,593
1973	n.a.	93,013	. . .	n.a.	106,650
1974	n.a.	95,589	. . .	n.a.	109,550
1975	n.a.	107,281	. . .	n.a.	121,056
1976	n.a.	120,840	. . .	n.a.	134,812
1977	n.a.	132,201	. . .	n.a.	147,287
1978	n.a.	142,353	. . .	n.a.	158,174
1979	n.a.	147,112	. . .	n.a.	163,405
1980	n.a.	152,566	n.a.	n.a.	171,564
1981	n.a.	156,121	n.a.	n.a.	175,728
1982	n.a.	155,234	$ 6,859	n.a.	174,197
1983*	n.a.	179,532	64,969	n.a.	249,118

n.a. = not available.
*Preliminary.
†Data on insured savings banks do not add to total because some institutions are both FDIC-insured and state-insured.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; National Council of Savings Institutions.

55. DISTRIBUTION OF SAVINGS ASSOCIATIONS, BY ASSET SIZE, DECEMBER 31, 1983

Asset Size (Millions)	Number of Associations	Percentage of Total	Assets (Millions)	Percentage of Total
Under $1	75	2.1%	$ 30	†
$ 1 and under $ 5	140	4.0	350	†
$ 5 and under $ 10	145	4.1	1,073	0.1%
$ 10 and under $ 25	540	15.4	9,504	1.2
$ 25 and under $ 50	640	18.2	23,489	3.0
$ 50 and under $ 100	686	19.5	48,865	6.3
$ 100 and under $ 150	361	10.3	44,392	5.8
$ 150 and under $ 250	350	10.0	68,329	8.9
$ 250 and under $ 500	288	8.2	99,825	12.9
$ 500 and under $1,000	152	4.3	103,822	13.5
$1,000 and under $5,000	121	3.4	221,214	28.7
$5,000 and over	15	0.4	150,812	19.5
Total	3,513	100.0%	$771,705	100.0%

Note: Components may not add to totals due to rounding.
†Less than 0.05%.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

56. PERMANENT STOCK SAVINGS ASSOCIATIONS (DOLLAR AMOUNTS IN MILLIONS)

State	December 31, 1982 Number of Associations	December 31, 1982 Total Assets	December 31, 1983 Number of Associations	December 31, 1983 Total Assets
California	125	$100,293	141	$165,956
Texas	208	31,951	200	44,167
Florida	35	12,761	41	18,819
Ohio	76	15,841	77	16,511
Other States	386	58,856	377	81,518
Total	830	$219,702	836	$326,971

Sources: Federal Home Loan Bank Board; State supervisory reports.

57. MERGERS OF SAVINGS INSTITUTIONS

Year	Savings Associations†	Savings Banks	Year	Savings Associations†	Savings Banks
1960	23	3	1976	88	3
1965	32	2	1977	43	6
1970	118	4	1978	46	4
1971	132	6	1979	38	4
1972	107	5	1980	109	1
1973	128	4	1981	217	16
1974	136	3	1982	215	20
1975	119	5	1983	n.a.	n.a.

n.a. = not available.
†Voluntary mergers of FHLB member institutions.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board.

58. STATEMENT OF OPERATIONS OF FSLIC-INSURED SAVINGS INSTITUTIONS
(MILLIONS OF DOLLARS)

Year	Operating Income	Operating Expense	Net Operating Income	Interest on Savings Deposits	Interest on Borrowed Money	Net Income before Taxes	Taxes	Net Income after Taxes
1960	$ 3,503	$ 766	$ 2,737	$ 2,118	$ 78	$ 552	$ 4	$ 548
1965	6,821	1,317	5,504	4,309	243	950	154	796
1970	10,675	1,902	8,773	6,895	764	1,166	241	925
1971	12,668	2,113	10,555	8,274	603	1,748	434	1,314
1972	15,209	2,485	12,724	9,967	479	2,317	630	1,687
1973	18,280	2,975	15,305	11,688	917	2,655	758	1,897
1974	20,981	3,443	17,538	13,646	1,671	2,144	661	1,483
1975	23,719	3,949	19,770	16,020	1,600	2,082	634	1,448
1976	28,217	4,582	23,635	19,090	1,393	3,219	969	2,250
1977	33,890	5,328	28,562	22,547	1,506	4,610	1,412	3,198
1978	40,589	6,177	34,412	26,024	2,667	5,717	1,799	3,918
1979	48,606	7,088	41,518	32,151	4,299	5,198	1,578	3,620
1980	56,135	7,920	48,215	41,627	5,801	1,193	409	784
1981	65,152	8,976	56,176	54,075	9,206	−6,148	−1,516	−4,632
1982	71,509	10,104	61,405	58,600	11,653	−5,869	−1,598	−4,271
1983*	81,992	12,757	69,235	59,687	9,544	2,732	687	2,045

Note: Components do not add to totals because of the exclusion of some nonoperating income and expense items.
*Preliminary.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

59. STATEMENT OF OPERATIONS OF FDIC-INSURED SAVINGS BANKS
(MILLIONS OF DOLLARS)

Year	Operating Income	Operating Expense	Net Operating Income	Interest on Savings Deposits	Interest on Borrowed Money†	Net Income before Taxes	Taxes	Net Income after Taxes
1960	$ 1,462	$ 225	$ 1,237	$ 1,074	n.a.	$ 182	$ 14	$ 168
1965	2,392	312	2,080	1,809	n.a.	252	29	223
1970	3,875	501	3,374	2,987	$ 20	245	78	167
1971	4,529	574	3,955	3,419	8	471	127	344
1972	5,295	665	4,630	3,943	7	665	186	479
1973	6,065	783	5,282	4,481	29	686	208	478
1974‡	6,494	920	5,574	4,917	66	480	162	318
1975	7,188	1,074	6,114	5,496	55	537	172	365
1976	8,331	1,313	7,018	6,288	45	734	227	507
1977	9,434	1,476	7,958	6,997	47	962	280	682
1978	10,668	1,674	8,994	7,707	122	1,120	311	809
1979	11,967	1,807	10,160	8,958	295	908	259	649
1980	13,029	2,079	10,950	10,635	554	− 204	45	− 249
1981	14,640	2,240	12,400	13,196	853	−1,582	−134	−1,448
1982	15,140	2,379	12,761	13,256	950	−1,253	− 24	−1,229
1983*	15,921	2,680	13,241	12,826	572	514	140	374

n.a. = not available.
Note: Components do not add to totals because of the exclusion of some nonoperating income and expense items.
*Preliminary.
†Beginning with 1979, includes expense of federal funds purchased and securities sold under repurchase agreement and interest on subordinated notes and debentures previously included in operating expense.
‡Not entirely comparable with prior years, due to accounting changes.
Source: Federal Deposit Insurance Corporation.

60. TOTAL OPERATING INCOME OF FSLIC-INSURED SAVINGS INSTITUTIONS (PERCENTAGE DISTRIBUTION)

Year	Interest on Mortgage Loans	Interest on Investments	Loan Fees and Discounts	All Other
1960	83.3%	5.1%	11.6%	
1965	86.8	5.4	3.5%	4.3%
1970	84.3	7.7	3.7	4.3
1971	82.6	8.8	4.9	3.7
1972	83.4	7.9	5.3	3.4
1973	83.5	8.3	4.4	3.8
1974	82.3	9.1	3.6	5.0
1975	81.6	8.6	4.1	5.7
1976	80.5	7.6	4.7	7.2
1977	80.8	6.8	5.0	7.4
1978	80.5	7.5	4.4	7.6
1979	78.8	9.1	3.7	8.4
1980	77.2	10.0	3.2	9.6
1981	74.9	11.6	2.7	10.8
1982	71.0	11.4	3.9	13.7
1983*	64.8	11.3	5.9	18.0

*Preliminary.
Sources: Federal Home Loan Bank Board; U.S. League of Savings Institutions.

61. TOTAL OPERATING INCOME OF FDIC-INSURED SAVINGS BANKS

Year	Interest and Fees on Mortgage Loans	Interest on Investments	All Other
1960	73.2%	24.1%	2.7%
1965	81.6	15.0	3.4
1970	76.5	17.9	5.6
1971	72.3	22.3	5.4
1972	69.7	25.1	5.2
1973	68.8	24.1	7.1
1974†	69.3	23.0	7.7
1975	67.0	26.6	6.4
1976	62.7	31.1	6.2
1977	60.9	32.2	6.9
1978	60.9	30.9	8.2
1979	59.9	32.5	7.6
1980	58.6	31.2	10.2
1981	54.9	30.9	14.2
1982	52.6	29.6	17.8
1983*	52.8	31.1	16.1

*Preliminary.
†Beginning in 1974, data are not entirely comparable with prior years, due to accounting changes.
Source: Federal Deposit Insurance Corporation.

62. TOTAL EXPENSE OF FSLIC-INSURED SAVINGS INSTITUTIONS (PERCENTAGE DISTRIBUTION)

Year	Interest on Savings Deposits	Interest on Borrowed Money	Compensation	All Other
1960	71.4%	2.6%	11.4%	14.6%
1965	73.2	4.0	10.4	12.4
1970	71.6	7.9	9.0	11.5
1971	74.8	5.5	9.0	10.7
1972	76.6	3.7	8.9	10.8
1973	74.3	5.8	8.7	11.2
1974	72.0	8.8	8.4	10.8
1975	73.4	7.3	8.3	11.0
1976	75.2	5.5	8.4	10.9
1977	75.9	5.1	8.5	10.5
1978	73.9	7.6	8.3	10.2
1979	73.2	9.8	7.8	9.2
1980	74.7	10.4	6.8	8.1
1981	74.4	12.7	5.9	7.0
1982	71.8	14.3	5.6	8.3
1983*	70.9	11.3	6.4	11.4

*Preliminary.
Sources: Federal Home Loan Bank Board; U.S. League of Savings Institutions.

63. TOTAL EXPENSE OF FDIC-INSURED SAVINGS BANKS (PERCENTAGE DISTRIBUTION)

Year	Interest on Savings Deposits	Interest on Borrowed Money	Compensation	All Other
1960	82.7%	n.a.	10.1%	7.2%
1965	85.3	n.a.	8.1	6.6
1970	85.2	0.6%	7.5	6.7
1971	85.5	0.2	7.5	6.8
1972	85.4	0.1	7.2	7.3
1973	84.7	0.5	7.2	7.6
1974†	83.3	1.1	7.2	8.4
1975	83.0	0.8	7.3	8.9
1976	82.2	0.6	7.3	9.9
1977	82.1	0.6	7.3	10.0
1978	81.1	1.3	7.6	10.0
1979	81.0	2.7	7.4	8.9
1980	80.2	4.2	7.0	8.6
1981	81.0	5.2	6.3	7.5
1982	79.9	5.7	6.2	8.2
1983*	79.8	3.6	7.1	9.5

n.a. = not available.
*Preliminary.
†Not entirely comparable with prior years, due to accounting changes.
Source: Federal Deposit Insurance Corporation.

64. INCOME AND EXPENSE RATIOS OF FSLIC-INSURED SAVINGS INSTITUTIONS†

Item	1981	1982	1983*	Annual Change 1982	Annual Change 1983*
Operating Income	10.26%	10.64%	10.93%	0.38%	0.29%
Operating Expenses	1.41	1.50	1.70	0.09	0.20
Net Operating Income	8.85%	9.14%	9.23%	0.29%	0.09%
Interest on Savings Deposits	8.52	8.72	7.96	0.20	−0.76
Interest on Borrowed Money	1.45	1.73	1.27	0.28	−0.46
Nonoperating Income and Expense (Net)	0.15	0.44	0.35	0.29	0.09
Net Income before Taxes	−0.97%	−0.87%	0.36%	0.10%	1.23%
Taxes	−0.24	−0.24	0.09	0.00	−0.33
Net Income after Taxes (Return on Assets)	−0.73%	−0.64%	0.27%	0.09%	0.91%

Note: Components may not add to totals due to rounding.
*Preliminary.
†Income and expense items as a percentage of average assets excluding loans in process or contra-assets.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

65. INCOME AND EXPENSE RATIOS OF FDIC-INSURED SAVINGS BANKS†

Item	1981	1982	1983*	Annual Change 1982	Annual Change 1983*
Operating Income	9.41%	9.69%	9.51%	0.28%	−0.18%
Operating Expenses	1.44	1.52	1.60	0.08	0.08
Net Operating Income	7.97%	8.17%	7.91%	0.20%	−0.26%
Interest on Savings Deposits	8.48	8.48	7.66	0.00	−0.82
Interest on Borrowed Money	0.55	0.61	0.34	0.06	−0.27
Net Realized Gains or Losses (Net)	0.04	0.12	0.39	0.08	0.27
Net Income before Taxes	−1.02%	−0.80%	0.30%	0.22%	1.10%
Taxes	−0.09	−0.02	0.08	0.07	0.10
Net Income after Taxes (Return on Assets)	−0.93%	−0.79%	0.22%	0.14%	1.01%

Note: Components may not add to totals due to rounding.
*Preliminary.
†Income and expense items as a percentage of average assets.
Source: Federal Deposit Insurance Corporation.

66. SELECTED SIGNIFICANT RATIOS OF FEDERALLY INSURED SAVINGS INSTITUTIONS

	FSLIC-insured Savings Institutions				FDIC-insured Savings Banks			
Year	Asset Utilization[1]	Profit Margin[2]	Return on Equity[3]	Return on Average Assets[4]	Asset Utilization[1]	Profit Margin[2]	Return on Equity[3]	Return on Average Assets[4]
1960	5.55%	15.55%	12.35%	0.86%	4.25%	11.50%	5.76%	0.49%
1965	5.72	11.63	9.83	0.67	4.93	9.33	5.83	0.46
1970	6.60	8.56	8.02	0.57	5.87	4.31	3.37	0.25
1971	6.93	10.24	10.51	0.71	6.15	7.59	6.56	0.47
1972	7.02	11.01	12.14	0.77	6.38	9.05	8.41	0.58
1973	7.34	10.31	12.15	0.76	6.68	7.88	7.64	0.53
1974	7.63	7.03	8.63	0.54	6.87	4.89	4.76	0.34
1975	7.73	6.06	7.82	0.47	7.06	5.08	4.79	0.36
1976	8.01	7.87	11.10	0.63	7.29	6.09	6.18	0.44
1977	8.23	9.32	13.94	0.77	7.43	7.23	8.13	0.54
1978	8.50	9.57	14.84	0.81	7.75	7.58	8.76	0.59
1979	9.08	7.37	12.06	0.67	8.23	5.42	6.53	0.45
1980	9.60	1.38	2.44	0.13	8.67	– 1.58	– 2.47	–0.17
1981	10.48	– 6.96	–15.44	–0.73	9.41	– 9.89	–15.56	–0.93
1982	11.27	– 5.64	–16.13	–0.64	9.69	– 8.12	–14.76	–0.79
1983*	11.49	2.37	7.05	0.27	9.51	2.35	4.27	0.22

Note: Beginning in 1982, average assets exclude certain contra-asset balances which had been reported as liabilities.
*Preliminary.
[1]Total income divided by average assets (net of loans in process or contra-assets).
[2]Net after-tax income divided by total income.
[3]Net after-tax income divided by average net worth.
[4]Net after-tax income divided by average assets (net of loans in process or contra-assets).
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; United States League of Savings Institutions.

67. MINIMUM LIQUIDITY REQUIREMENTS FOR FHLB MEMBERS

Effective Date	Minimum Percentage†	
	Short-term	Overall
December 1950	...	6.0%
March 1961	...	7.0
August 1968	...	6.5
June 1969	...	6.0
December 1969	...	5.5
April 1971	...	6.5
May 1971	...	7.5
August 1971	...	7.0
January 1972	3.0%	7.0
May 1973	2.5	6.5
August 1973	1.5	5.5
September 1974	1.0	5.0
April 1975	1.5	5.5
June 1975	2.0	6.0
September 1975	2.5	6.5
March 1976	3.0	7.0
May 1978	2.5	6.5
January 1979	2.0	6.0
October 1979	1.5	5.5
April 1980	1.0	5.0

†Liquid assets as a percentage of total savings deposits, plus borrowings repayable on demand or within one year.
Source: Federal Home Loan Bank Board.

68. NUMBER OF SAVINGS INSTITUTION OFFICES

Year-end	Savings Association Offices			Savings Bank Offices			All Savings Institution Offices		
	Main	Branch	Total	Main	Branch	Total	Main	Branch	Total
1960	6,320	1,611	7,931	515	487	1,002	6,835	2,098	8,933
1965	6,185	2,994	9,179	506	716	1,222	6,691	3,710	10,401
1970	5,669	4,318	9,987	494	1,087	1,581	6,163	5,405	11,568
1971	5,474	4,961	10,435	490	1,196	1,686	5,964	6,157	12,121
1972	5,298	5,851	11,149	486	1,354	1,840	5,784	7,205	12,989
1973	5,170	7,036	12,206	482	1,492	1,974	5,652	8,528	14,180
1974	5,023	8,775	13,798	480	1,642	2,122	5,503	10,417	15,920
1975	4,931	10,518	15,449	476	1,846	2,322	5,407	12,364	17,771
1976	4,821	11,908	16,729	473	2,080	2,553	5,294	13,988	19,282
1977	4,761	13,087	17,848	467	2,314	2,781	5,228	15,401	20,629
1978	4,725	14,250	18,975	465	2,541	3,006	5,190	16,791	21,981
1979	4,684	15,508	20,192	463	2,875	3,338	5,147	18,383	23,530
1980	4,613	16,733	21,346	463	3,152	3,615	5,076	19,885	24,961
1981	4,292	17,495	21,787	448	3,245	3,693	4,740	20,740	25,480
1982	3,825	18,712	22,537	424	2,777	3,201	4,249	21,489	25,738
1983*	3,513	18,098	21,611	534	n.a.	n.a.	4,047	n.a.	n.a.

n.a. = not available.
*Preliminary.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions; United States League of Savings Institutions.

69. PERSONNEL OF SAVINGS INSTITUTIONS

Year-end	Savings Associations		Savings Banks	
	Total Employees	Employees Per $1 Million of Assets	Total Employees	Employees Per $1 Million of Assets
1960	71,700	1.00	n.a.	n.a.
1965	97,600	0.75	27,233	0.47
1970	106,000	0.60	n.a.	n.a.
1971	114,900	0.56	n.a.	n.a.
1972	129,300	0.53	35,138	0.35
1973	142,800	0.53	40,311	0.38
1974	153,300	0.52	41,602	0.38
1975	169,700	0.50	44,050	0.36
1976	185,800	0.47	47,682	0.35
1977	208,300	0.45	51,410	0.35
1978	225,500	0.43	55,170	0.35
1979	244,900	0.42	57,995	0.35
1980	260,100	0.41	62,318	0.36
1981	268,800	0.40	62,467	0.36
1982	276,700	0.39	61,296	0.35
1983*	303,600	0.39	n.a.	n.a.

n.a. = not available.
*Preliminary.
Sources: Bureau of Labor Statistics; National Council of Savings Institutions; United States League of Savings Institutions.

70. CONDENSED STATEMENT OF CONDITION OF FSLIC-INSURED SAVINGS INSTITUTIONS AS OF DECEMBER 31, 1983*

Item	Amount (Millions)	Percentage of Total
ASSETS:		
Mortgage Loans	$521,308	63.6%
Insured Mortgages and Mortgage-backed Securities	90,902	11.1
Mobile Home Loans	3,857	0.5
Home Improvement Loans	5,490	0.7
Loans on Savings Accounts	3,195	0.4
Education Loans	2,465	0.3
Other Consumer Loans	14,091	1.7
Cash and Investments Eligible for Liquidity	84,958	10.4
Other Investments	24,965	3.0
Federal Home Loan Bank Stock	6,100	0.7
Investment in Service Corporations	8,196	1.0
Building and Equipment	11,347	1.4
Real Estate Owned	6,800	0.8
All Other Assets	35,494	4.3
Total Assets	$819,168	100.0%
LIABILITIES AND NET WORTH:		
Savings Deposits:		
Accounts with No Fixed Term	$203,656	24.9%
Certificates	467,401	57.1
Federal Home Loan Bank Advances	57,253	7.0
Other Borrowed Money	41,258	5.0
All Other Liabilities	16,620	2.0
Net Worth	32,980	4.0
Total Liabilities and Net Worth	$819,168	100.0%

Note: Components may not add to totals due to rounding.
*Preliminary.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

71. TOTAL ASSETS OF ALL SAVINGS ASSOCIATIONS (MILLIONS OF DOLLARS)

Year-end	Mortgage Loans [1,2,4]	Cash and Investment Securities[3]	Real Estate Owned	FHLB Stock	Other Assets[2,3,4]	Total Assets[4]
1960	$ 60,070	$ 7,888	$ 158	$ 978	$ 2,382	$ 71,476
1965	110,306	12,123	1,065	1,236	4,850	129,580
1970	150,331	16,526	746	1,539	7,041	176,183
1971	174,250	21,042	775	1,550	8,406	206,023
1972	206,182	24,355	776	1,675	10,139	243,127
1973	231,733	21,055	910	2,075	16,132	271,905
1974	249,301	23,251	1,211	2,575	19,207	295,545
1975	278,590	30,853	1,662	2,600	24,528	338,233
1976	323,005	35,724	1,928	2,800	28,450	391,907
1977	381,163	39,150	1,787	3,200	33,941	459,241
1978	432,808	44,884	1,746	4,000	40,104	523,542
1979	475,688	46,341	1,806	4,900	50,227	578,962
1980	502,812	57,572	2,272	4,900	62,273	629,829
1981	518,547	63,123	3,320	5,500	73,677	664,167
1982	483,614	85,438	5,578	5,900	127,116	707,646
1983*	493,432	103,395	6,600	6,000	162,278	771,705

*Preliminary.
[1]Beginning in 1970, includes (1) junior liens; (2) real estate sold on contract; and (3) collateral loans secured by the assignment of first mortgage loans.
[2]Beginning in 1973, participation certificates guaranteed by FHLMC, loans and notes insured by the Farmers Home Administration, and certain other government-insured mortgage-type investments, previously included in mortgage loans, are included in other assets.
[3]Beginning in 1973, GNMA-guaranteed mortgage-backed securities of the pass-through type, previously included in cash and investment securities, are included in other assets.
[4]Beginning in 1982, excludes certain balances which had been reported as liabilities and are now reported as contra-assets.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

72. CONDENSED STATEMENT OF CONDITION OF FDIC-INSURED SAVINGS BANKS AS OF DECEMBER 31, 1983*

Item	Amount (Millions)	Percentage of Total
ASSETS:		
Real Estate Loans	$ 91,057	50.7%
Commercial and Industrial Loans	4,633	2.6
Loans to Individuals	7,982	4.4
Loans to Financial Institutions	1,284	0.7
Other Loans	89	†
Cash and Due from Depository Institutions	5,870	3.3
U.S. Treasury and Federal Agency Obligations	28,335	15.8
State and Local Obligations	2,167	1.2
Corporate Bonds	17,588	9.8
Other Bonds, Notes and Debentures	3,573	2.0
Corporate Stock	3,240	1.8
Building and Equipment	1,657	0.9
Real Estate Owned	430	0.2
All Other Assets	11,627	6.5
Total Assets	$179,532	100.0%
LIABILITIES AND SURPLUS ACCOUNTS:		
Demand Deposits	$ 2,910	1.6%
Savings Deposits	69,850	38.9
Time Deposits	88,807	49.5
All Other Liabilities	8,388	4.7
Subordinated Notes and Debentures	701	0.4
Surplus Accounts	8,876	4.9
Total Liabilities and Surplus Accounts	$179,532	100.0%

Note: Components may not add to totals due to rounding.
*Preliminary.
†Less than 0.05%.
Source: Federal Deposit Insurance Corporation.

73. TOTAL ASSETS OF ALL SAVINGS BANKS
(MILLIONS OF DOLLARS)

Year-end	Mortgage Loans	Cash and Government Securities	Nonmortgage Loans	Other Assets	Total Assets
1960	$ 26,935	$ 7,788	$ 416	$ 5,432	$ 40,571
1965	44,617	6,822	862	5,931	58,232
1970	57,948	6,540	2,255	12,252	78,995
1971	61,978	7,310	2,810	17,483	89,581
1972	67,556	8,797	2,979	21,261	100,593
1973	73,230	8,149	3,871	21,400	106,650
1974	74,920	7,825	3,812	22,993	109,550
1975	77,249	11,382	4,023	28,402	121,056
1976	81,639	13,881	5,183	34,109	134,812
1977	88,105	14,462	6,210	38,510	147,287
1978	95,157	15,295	7,195	40,527	158,174
1979	98,908	13,744	9,253	41,500	163,405
1980	99,865	15,673	11,733	44,293	171,564
1981	99,997	17,540	14,753	43,438	175,728
1982	97,805	19,132	16,957	40,303	174,197
1983*	133,325	n.a.	n.a.	n.a.	249,118

n.a. = not available.
*Preliminary.
Sources: Federal Deposit Insurance Corporation, Federal Reserve Board, National Council of Savings Institutions.

74. TOTAL LIABILITIES OF ALL SAVINGS ASSOCIATIONS
(MILLIONS OF DOLLARS)

Year-end	Savings Deposits	FHLB Advances[1]	Loans in Process	Other Liabilities[2]	Net Worth[3]	Total Liabilities[2]
1960	$ 62,142	$ 2,197	$ 1,186	$ 968	$ 4,983	$ 71,476
1965	110,385	6,444	2,198	1,849	8,704	129,580
1970	146,404	10,911	3,078	3,389	12,401	176,183
1971	174,197	8,992	5,029	4,213	13,592	206,023
1972	206,764	9,782	6,209	5,132	15,240	243,127
1973	226,968	17,172	4,667	6,042	17,056	271,905
1974	242,974	24,780	3,244	6,105	18,442	295,545
1975	285,743	20,634	5,128	6,949	19,779	338,233
1976	335,912	19,083	6,840	8,074	21,998	391,907
1977	386,800	27,840	9,911	9,506	25,184	459,241
1978	430,953	42,907	10,721	9,904	29,057	523,542
1979	470,004	55,232	9,582	11,506	32,638	578,962
1980	510,959	64,491	8,767	12,221	33,391	629,829
1981	525,061	88,782	6,385	15,544	28,395	664,167
1982	567,961	97,850	[4]	15,602	26,233	707,646
1983*	634,076	91,443	[4]	15,275	30,911	771,705

*Preliminary.
[1]Includes other borrowed money.
[2]Beginning in 1982, excludes certain balances which had been reported as liabilities and are now reported as contra-assets.
[3]Beginning in 1970, excludes paid-in surplus of stock associations and specific reserves of all associations, but includes net undistributed income which is accrued by most, but not all, associations.
[4]Loans in process are now reported as a deduction from mortgage loans.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

75. TOTAL LIABILITIES OF ALL SAVINGS BANKS
(MILLIONS OF DOLLARS)

Year-end	Savings Deposits	Borrowings and Mortgage Warehousing	Other Liabilities	General Reserve Accounts	Total Liabilities
1960	$ 36,343	n.a.	$ 678	$ 3,550	$ 40,571
1965	52,443	n.a.	1,124	4,665	58,232
1970	71,580	n.a.	1,689	5,726	78,995
1971	81,440	n.a.	1,810	6,331	89,581
1972	91,613	$ 125	1,899	6,956	100,593
1973	96,496	403	2,162	7,589	106,650
1974	98,701	818	2,070	7,961	109,550
1975	109,873	555	2,200	8,428	121,056
1976	122,877	401	2,482	9,052	134,812
1977	134,017	622	2,670	9,978	147,287
1978	142,701	1,594	2,972	10,907	158,174
1979	146,006	3,653	2,221	11,525	163,405
1980	153,501	4,511	2,184	11,368	171,564
1981	155,110	8,132	2,500	9,986	175,728
1982	155,196	7,048	2,718	9,235	174,197
1983*	219,050	n.a.	n.a.	n.a.	249,118

n.a. = not available.
*Preliminary.
Sources: Federal Deposit Insurance Corporation; Federal Reserve Board; National Council of Savings Institutions.

Federal Government Agency Data

76. FEDERAL HOME LOAN BANK DISTRICTS

District	FHL Bank City	State or Area
1	Boston	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
2	New York	New Jersey, New York, Puerto Rico, Virgin Islands
3	Pittsburgh	Delaware, Pennsylvania, West Virginia
4	Atlanta	Alabama, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia
5	Cincinnati	Kentucky, Ohio, Tennessee
6	Indianapolis	Indiana, Michigan
7	Chicago	Illinois, Wisconsin
8	Des Moines	Iowa, Minnesota, Missouri, North Dakota, South Dakota
9	Dallas	Arkansas, Louisiana, Mississippi, New Mexico, Texas
10	Topeka	Colorado, Kansas, Nebraska, Oklahoma
11	San Francisco	Arizona, California, Nevada
12	Seattle	Alaska, Guam, Hawaii, Idaho, Montana, Oregon, Utah, Washington, Wyoming

Source: Federal Home Loan Bank Board.

77. MEMBERSHIP OF THE FHLB SYSTEM AT YEAR-END 1983

Bank District	Savings Associations				Savings Banks	Life Insurance Companies	Total Membership
		Insured by FSLIC					
	Total Number	Federally Chartered	State-chartered	Other State-chartered			
Boston	117	44	34	39	113	...	230
New York	220	89	130	1	54	...	274
Pittsburgh	225	91	117	17	8	...	233
Atlanta	493	349	143	1	17	...	510
Cincinnati	389	215	156	18	15	1	405
Indianapolis	167	110	57	...	4	1	172
Chicago	359	165	194	...	3	...	362
Des Moines	197	112	84	1	8	...	205
Dallas	482	164	318	...	16	...	498
Topeka	172	96	76	..	11	...	183
San Francisco	187	53	134	...	9	...	196
Seattle	116	67	49	...	23	...	139
Total	3,124	1,555	1,492	77	281	2	3,407

Source: Federal Home Loan Bank Board.

78. SELECTED OPERATING FACTORS OF THE FHLB SYSTEM

Month	Average Cost of Obligations		Weighted Average Rate on Advances		Number of Borrowers at Month-end
	Outstanding at Month-end	Issued During Month	Outstanding at Month-end	Issued During Month	
1982:					
January	12.39%	15.00%	12.85%	14.70%	2,593
February	12.61	15.32	13.06	15.10	2,562
March	12.71	14.40	13.11	15.00	2,529
April	12.68	14.30	13.20	15.01	2,496
May	12.88	14.06	13.17	14.90	2,457
June	12.92	14.55	13.28	14.90	2,412
July	12.95	13.54	13.11	14.30	2,361
August	12.93	11.84	12.79	12.60	2,307
September	12.79	11.83	12.67	12.00	2,266
October	12.74	10.30	12.36	11.00	2,248
November	12.78	10.95	12.18	10.30	2,230
December	12.64	10.67	11.95	10.30	2,202
1983:					
January	12.56	10.70	11.68	10.10	2,138
February	12.54	11.10	11.58	10.40	2,097
March	12.45	10.53	11.66	9.90	2,064
April	12.39	10.15	11.36	10.10	2,034
May	12.37	10.47	11.32	10.06	1,997
June	12.32	10.80	11.28	10.35	1,990
July	12.26	11.53	11.27	10.68	1,986
August	12.32	11.77	11.30	11.31	1,960
September	12.27	11.45	11.31	10.84	1,946
October	12.17	11.29	11.29	10.54	1,940
November	12.25	11.30	11.30	10.38	1,892
December	12.18	12.15	11.30	10.64	1,904

Source: Federal Home Loan Bank Board.

79. FHLBB CONSOLIDATED OBLIGATIONS ISSUED, 1983

Date of Issue	Amount (Millions)	Maturity (Months)	Coupon Rate	Date of Issue	Amount (Millions)	Maturity (Months)	Coupon Rate
Jan. 25	$725	120	10.70%	July 25	$525	120	11.70%
Feb. 25	800	102	11.10	Aug. 25	460	60	11.62
Mar. 25	470	60	10.20	Aug. 25	390	120	11.95
Mar. 25	575	120	10.80	Sept. 26	710	42	11.25
Apr. 25	500	60	10.15	Sept. 26	465	96	11.75
May 25	525	60	10.15	Oct. 25	700	36	10.80
May 25	30	79	10.60	Oct. 25	695	60	11.40
May 25	575	120	10.75	Oct. 25	650	102	11.70
June 27	500	60	10.80	Nov. 25	425	48	11.30
July 25	550	48	11.35	Dec. 27	365	120	12.15
July 25	320	76	11.55				

Source: Federal Home Loan Bank Board.

80. FHLB LENDING ACTIVITY
(DOLLAR AMOUNTS IN MILLIONS)

Year	Advances Made	Repaid	Outstanding at Year-end	As a % of Member Assets
1960	$ 1,943	$ 2,097	$ 1,981	2.9%
1965	5,007	4,335	5,997	4.7
1970	3,255	1,930	10,615	6.2
1971	2,714	5,392	7,936	3.9
1972	4,792	4,750	7,979	3.4
1973	10,013	2,845	15,147	5.7
1974	12,763	6,106	21,804	7.5
1975	5,468	9,425	17,845	5.4
1976	8,114	10,097	15,862	4.1
1977	13,756	9,445	20,173	4.5
1978	25,297	12,800	32,670	6.3
1979	29,166	19,998	41,838	7.3
1980	36,585	29,460	48,963	7.9
1981	53,941	37,709	65,194	10.0
1982	53,745	52,929	66,011	9.5
1983*	42,469	49,530	58,951	7.7

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Federal Home Loan Bank Board.

81. FHLB CAPITAL STOCK, MEMBER DEPOSITS AND OBLIGATIONS
(MILLIONS OF DOLLARS)

Year-end	Capital Stock	Member Deposits	Obligations Outstanding†	Year-end	Capital Stock	Member Deposits	Obligations Outstanding†
1960	$ 989	$ 938	$ 1,266	1976	$2,889	$ 3,867	$14,620
1965	1,277	1,043	5,221	1977	3,295	4,144	16,009
1970	1,607	2,331	10,181	1978	4,120	6,206	25,109
1971	1,618	1,789	6,840	1979	5,149	9,253	30,372
1972	1,756	1,547	6,671	1980	5,160	10,074	37,268
1973	2,122	1,744	14,449	1981	5,827	11,914	54,131
1974	2,624	2,394	19,445	1982	6,269	14,732	55,967
1975	2,705	2,651	16,383	1983	6,395	n.a.	48,930

n.a. = not available.
†Beginning in 1970, excludes pass-throughs to FHLMC.
Source: Federal Home Loan Bank Board.

82. WEIGHTED RATE ON ADVANCES, BY FHLB DISTRICT, YEAR-END 1981-1983

Bank	1981	1982	1983
Boston	11.70%	11.69%	11.31%
New York	12.85	12.41	11.47
Pittsburgh	12.14	11.22	11.03
Atlanta	13.30	11.64	10.97
Cincinnati	12.57	11.68	10.86
Indianapolis	11.81	12.10	11.56
Chicago	12.48	12.03	11.58
Des Moines	12.00	11.60	11.83
Dallas	13.75	12.63	11.81
Topeka	12.65	12.32	11.42
San Francisco	12.78	11.94	11.07
Seattle	13.01	12.03	11.60

Source: Federal Home Loan Bank Board.

83. DIVIDEND RATES PAID, BY FHLB DISTRICT

Bank	1981	1982	1983
Boston	1.00%	6.60%	6.50%
New York	8.20	10.50	8.60
Pittsburgh	5.50	10.50	7.00
Atlanta	7.50	10.00	11.50
Cincinnati	7.10	13.60	7.63
Indianapolis	2.20	10.00	11.60
Chicago	8.80	13.75	11.25
Des Moines	5.20	12.25	11.00
Dallas	7.60	17.50	11.00
Topeka	10.30	15.50	10.56
San Francisco	9.50	16.00	1.60
Seattle	13.20	19.10	13.12

Source: Federal Home Loan Bank Board.

84. FHLB COMBINED STATEMENT OF CONDITION
(THOUSANDS OF DOLLARS)

Item	December 31, 1981	December 31, 1982†
Assets:		
Cash	$ 395,302	$ 358,475
Investments	8,157,138	12,575,112
Advances	65,194,261	66,000,777
Other assets	933,632	1,327,535
Total Assets	$74,680,333	$80,261,899
Liabilities:		
Members' time deposits	$11,015,512	$12,598,116
Members' demand deposits	898,228	2,134,237
Total Deposits	$11,913,740	$14,732,353
Consolidated obligations	54,130,982	55,967,076
Other liabilities	1,834,920	2,148,942
Total Liabilities	$67,879,642	$72,848,371
Capital:		
Capital stock—all member-owned	$ 5,827,107	$ 6,269,223
Legal reserve	794,317	879,958
Dividend stabilization reserve	32,305	116,781
Undivided profits	146,962	147,566
Total Capital	$ 6,800,691	$ 7,413,528
Total Liabilities and Capital	$74,680,333	$80,261,899

†1983 data not available
Source: Federal Home Loan Bank Board

85. FHLB COMBINED OPERATING STATEMENT
(THOUSANDS OF DOLLARS)

Item	Calendar Year 1981	Calendar Year 1982†
Earned Income:		
Interest on advances	$6,994,211	$ 8,701,842
Interest on securities	942,212	1,266,801
Miscellaneous	62,764	114,998
Total Earned Income	$7,999,187	$10,083,641
Expenses:		
Compensation and benefit costs	$ 43,512	$ 54,448
Administrative (including travel)	34,166	39,862
Interest and concessions on consolidated obligations	5,673,774	7,396,538
Interest on deposits	1,685,841	1,597,429
FHLB Board assessments	10,937	11,990
Other expenses	15,695	21,270
Total Expenses	$7,463,925	$ 9,121,537
Net Income	$ 535,262	$ 962,104
Allocation of Net Income:		
Dividends on stock	$ 430,287	$ 791,382
Legal reserve	107,536	85,641
Dividend stabilization reserve	(3,575)	84,477
Undivided profits	1,014	604

†1983 data not available
Source: Federal Home Loan Bank Board

86. NUMBER OF FSLIC AND FDIC MEMBER INSTITUTIONS

Year-end	FSLIC-insured Institutions				FDIC-insured Banks	
	Savings Associations					
	Total	Federally Chartered	State-chartered	Savings Banks	Commercial Banks	Savings Banks
1960	4,098	1,873	2,225	. . .	13,126	325
1965	4,506	2,011	2,497	. . .	13,547	329
1970	4,365	2,067	2,298	. . .	13,511	329
1971	4,271	2,049	2,222	. . .	13,612	327
1972	4,191	2,044	2,147	. . .	13,733	326
1973	4,163	2,040	2,123	. . .	13,976	322
1974	4,141	2,060	2,081	. . .	14,230	320
1975	4,078	2,048	2,030	. . .	14,385	329
1976	4,044	2,019	2,025	. . .	14,411	329
1977	4,065	2,012	2,053	. . .	14,418	323
1978	4,053	2,000	2,053	. . .	14,391	325
1979	4,039	1,989	2,050	. . .	14,364	324
1980	4,002	1,985	2,017	. . .	14,435	323
1981	3,779	1,907	1,872	. . .	14,415	331
1982	3,343	1,727	1,616	. . .	14,451	315
1983	3,040	1,553	1,487	143	14,451	294

Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board.

87. FSLIC RESERVES AND FDIC DEPOSIT INSURANCE FUND
(DOLLAR AMOUNTS IN MILLIONS)

Year-end	FSLIC				FDIC	
	Primary Reserve	Secondary Reserve	Total Reserves	Percentage of Insured Liability†	Deposit Insurance Fund	Percentage of Insured Liability‡
1960	$ 381	. . .	$ 381	0.618%	$ 2,222	1.485%
1965	725	$ 812	1,537	1.353	3,036	1.448
1970	1,394	1,509	2,903	2.048	4,380	1.253
1971	1,529	1,458	2,987	1.767	4,740	1.265
1972	1,758	1,384	3,142	1.564	5,159	1.229
1973	2,076	1,378	3,454	1.563	5,615	1.206
1974	2,382	1,409	3,791	1.602	6,124	1.177
1975	2,740	1,380	4,120	1.478	6,716	1.180
1976	3,167	1,313	4,480	1.365	7,269	1.157
1977	3,653	1,220	4,873	1.286	7,993	1.154
1978	4,228	1,100	5,328	1.262	8,796	1.156
1979	4,891	957	5,848	1.269	9,793	1.211
1980	5,670	792	6,462	1.289	11,020	1.162
1981	5,557	599	6,156	1.198	12,246	1.238
1982	5,694	614	6,308	1.197	13,771	1.214
1983	n.a.	n.a.	n.a.	n.a.	15,429	1.216

n.a. = not available.
†Reserves as a percentage of the total accounts of insured depositors at all insured institutions.
‡Deposit Insurance Fund as a percentage of insured deposits.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board.

88. FSLIC COMPARATIVE STATEMENT OF CONDITION
(THOUSANDS OF DOLLARS)

Item	December 31, 1981	December 31, 1982†
Assets:		
Cash	$ 2,436	$ 203
Receivables	22,709	22,941
Investments at amortized cost	5,803,556	6,354,939
Accrued interest on investments	86,934	82,422
Income capital and net worth certificates	84,000	271,900
Loans to insured institutions and accrued interest, net	389,991	346,423
Subrogated accounts in insured institutions in liquidation	68,231	98,448
Mortgage loans and other assets	434,097	334,977
Total Assets	$6,891,954	$7,512,254
Liabilities and Reserves:		
Miscellaneous accrued and other liabilities	$ 39,370	$ 43,073
Notes payable to insured institutions	84,000	456,503
Allowance for estimated losses (contribution agreements)	612,517	705,358
Primary reserve	5,556,806	5,693,670
Secondary reserve	599,261	613,650
Total Liabilities and Reserves	$6,891,954	$7,512,254

Note: Components may not add to totals due to rounding.
†1983 data not available.
Source: Federal Home Loan Bank Board.

89. FSLIC COMPARATIVE OPERATING STATEMENT
(THOUSANDS OF DOLLARS)

Item	Calendar Year 1981	Calendar Year 1982†
Income:		
Insurance premiums	$ 425,070	$ 426,988
Interest on investments	539,615	603,592
Interest on loans to insured institutions	33,417	33,982
Income on mortgage loans	47,519	24,184
Miscellaneous	69	1,351
Total Income	$1,045,691	$1,090,097
Expenses:		
Administrative expenses	$ 990	$ 1,014
Services rendered by FHLBB	29,865	36,447
Loss on sale of securities	8,641	306
Insurance settlement and other miscellaneous expenses	12,575	41,775
Interest applied to secondary reserve	55,458	50,189
Net provision for losses	923,512	823,502
Total Expenses	$1,031,040	$ 953,233
Net Income	$ 14,650	$ 136,864

Note: Components may not add to totals due to rounding.
†1983 data not available.
Source: Federal Home Loan Bank Board.

90. FDIC COMPARATIVE STATEMENT OF CONDITION
(THOUSANDS OF DOLLARS)

Item	December 31, 1982	December 31, 1983
Assets:		
Cash	$ 1,335	$ 88,785
Investment in U.S. Treasury obligations (book value)	13,252,365	13,992,059
Accrued interest receivable	339,281	370,642
Other receivables and prepaid items	9,793	22,438
Notes receivable from insured banks	705,262	423,641
Assets acquired from failures of insured banks	716,658	2,010,952
Land	4,014	4,014
Office buildings less depreciation	30,139	32,955
Total Assets	$15,058,847	$16,945,486
Liabilities and the Deposit Insurance Fund:		
Accounts payable and accrued liabilities	$ 56,762	$ 36,960
Collections held for others	2,453	5,465
Accrued annual leave of employees	6,935	7,143
Accrued interest payable	19,214	18,789
Net assessment income credits due to insured banks	96,181	164,039
F Street property notes	12,282	11,224
Liabilities incurred from failures of insured banks	1,091,076	1,253,763
Estimated losses from Corporation litigation	3,000	18,923
Deposit Insurance Fund	13,770,944	15,429,180
Total Liabilities and Deposit Insurance Fund	$15,058,847	$16,945,486

Source: Federal Deposit Insurance Corporation.

91. FDIC COMPARATIVE OPERATING STATEMENT
(THOUSANDS OF DOLLARS)

Item	Calendar Year 1982	Calendar Year 1983
Income:		
Gross assessments earned less provision for assessment credits	$1,012,735	$1,050,914
Interest on U.S. Treasury obligations including amortization of premiums and discounts	1,369,966	1,404,325
Interest earned on notes receivable	79,029	65,065
Interest received on assets in liquidation	53,888	83,762
Other income	8,869	24,049
Total Income	$2,524,487	$2,628,115
Expenses and Losses:		
Administrative operating expenses	$ 129,927	$ 135,660
Merger assistance losses and expenses	680,980	127,486
Provision for insurance losses	126,436	675,119
Interest expense on Federal Reserve indebtedness	54,178	25,211
Nonrecoverable insurance expenses	8,162	6,403
Total Expenses and Losses	$ 999,683	$ 969,879
Net Income	$1,524,804	$1,658,236

Source: Federal Deposit Insurance Corporation.

92. FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS

Region	State or Area
Atlanta	Alabama, Florida, Georgia, North Carolina, South Carolina
Boston	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Chicago	Illinois, Indiana
Columbus	Kentucky, Ohio, West Virginia
Dallas	Colorado, New Mexico, Oklahoma, Texas
Kansas City	Kansas, Missouri
Madison	Michigan, Wisconsin
Memphis	Arkansas, Louisiana, Mississippi, Tennessee
Minneapolis	Minnesota, Montana, North Dakota, South Dakota, Wyoming
New York	New Jersey, New York, Puerto Rico, Virgin Islands
Omaha	Iowa, Nebraska
Philadelphia	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia
San Francisco	Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Utah, Washington

Source: Federal Deposit Insurance Corporation.

93. FEDERAL HOME LOAN MORTGAGE CORPORATION ACTIVITY
(MILLIONS OF DOLLARS)

Year	Mortgage Transactions		Loan Portfolio (Year-end)			Participation Certificates (Year-end)
	Purchases	Sales	Total	FHA-VA	Conventional	
1970	$ 325	. . .	$ 325	$ 325	. . .	. . .
1971	778	$ 113	968	821	$ 147	$ 64
1972	1,297	407	1,788	1,502	286	444
1973	1,334	409	2,604	1,800	804	791
1974	2,190	53	4,586	1,961	2,625	780
1975	1,713	1,521	4,987	1,881	3,106	1,143
1976	1,127	1,797	4,269	1,675	2,594	1,900
1977	4,160	4,647	3,267	1,450	1,817	5,408
1978	6,526	6,426	3,091	1,299	1,792	10,152
1979	5,621	4,544	4,052	1,159	2,893	12,922
1980	3,723	2,526	5,056	1,090	3,966	14,785
1981	3,800	3,532	5,237	1,047	4,190	17,925
1982	23,673	24,169	4,733	1,009	3,724	41,182
1983	23,089	19,701	7,633	942	6,691	56,412

Source: Federal Home Loan Mortgage Corporation.

94. VA-GUARANTEED HOME MORTGAGE LOANS MADE
(DOLLAR AMOUNTS IN MILLIONS)

Year	Number	Amount	Year	Number	Amount
1960	145,000	$1,985	1976	329,000	$10,419
1965	164,000	2,652	1977	389,000	13,901
1970	168,000	3,440	1978	365,000	14,447
1971	282,000	5,961	1979	357,000	16,674
1972	370,000	8,293	1980	266,000	14,500
1973	316,000	7,467	1981	143,000	7,903
1974	310,000	8,206	1982	95,000	5,488
1975	299,000	8,884	1983	283,000	17,965

Source: Veterans Administration.

95. FHA-INSURED MORTGAGE AND OTHER LOANS MADE
(MILLIONS OF DOLLARS)

Year	Total	Home Mortgages	Project Mortgages	Property Improvement Loans
1960	$ 6,293	$ 4,601	$ 711	$ 982
1965	8,689	7,465	591	634
1970	11,982	8,114	3,251	617
1971	14,689	10,375	3,641	674
1972	12,320	8,067	3,448	805
1973	7,591	4,473	2,286	832
1974	5,915	3,934	1,225	756
1975	7,863	6,166	976	721
1976	9,619	6,362	2,315	942
1977	12,808	8,841	2,818	1,149
1978	15,534	11,140	3,014	1,380
1979	22,393	18,167	2,678	1,548
1980	22,092	16,459	3,987	1,646
1981	14,323	10,278	2,779	1,266
1982	13,517	8,087	4,484	946
1983	n.a.	n.a.	n.a.	n.a.

n.a. = not available.
Note: Components may not add to totals due to rounding.
Source: Federal Housing Administration.

96. FHA INTEREST RATE CEILINGS

Effective Date	One-family Homes†	Apartments†	Effective Date	One-family Homes†	Apartments†
January 5, 1970	8½%		April 3, 1980	14%	13%
December 2, 1970	8		April 28, 1980	13	13
January 13, 1971	7½		May 15, 1980	11½	13
February 18, 1971	7		July 7, 1980	11½	12
August 10, 1973	7¾		August 20, 1980	12‡	12
August 25, 1973	8½		September 22, 1980	13‡	13
January 22, 1974	8¼		November 24, 1980	13½‡	13½
April 15, 1974	8½		March 9, 1981	14‡	14
May 13, 1974	8¾		April 13, 1981	14½‡	14½
July 8, 1974	9		May 8, 1981	15½‡	15½
August 14, 1974	9½		August 17, 1981	16½‡	16½
November 25, 1974	9		September 15, 1981	17½‡	17½
January 21, 1975	8½		October 12, 1981	16½‡	17½
March 3, 1975	8		November 9, 1981	16½	17½
April 28, 1975	8½		November 16, 1981	15½	16½
September 2, 1975	9		January 25, 1982	16½	16½
January 5, 1976	8¾%	9%	March 2, 1982	15½	16½
March 30, 1976	8½	9	August 9, 1982	15	16
October 18, 1976	8	9	August 24, 1982	14	15
May 31, 1977	8½	9	September 24, 1982	13½	14½
February 28, 1978	8¾	9	October 13, 1982	12½	13½
May 23, 1978	9	9	November 15, 1982	12	13
June 29, 1978	9½	9½	May 9, 1983	11½‡	11½
April 23, 1979	10	9½	June 8, 1983	12‡	12
September 26, 1979	10½	9½	July 11, 1983	12½‡	12½
October 1, 1979	10½	10	August 1, 1983	13½‡	13½
October 26, 1979	11½	11	August 23, 1983	13‡	13
February 11, 1980	12	12	November 1, 1983	12½‡	12½
February 28, 1980	13	13	December 1, 1983	none	none

†Excludes insurance premium.
‡½ of 1% higher for graduated payment mortgages.
Source: Federal Housing Administration.

97. FNMA ACTIVITY
(MILLIONS OF DOLLARS)

Year	Loan Purchases	Loan Sales	Total Portfolio (Year-end)	Mortgage-backed Securities (Year-end)
1960	$ 980	$ 42	$ 2,903	. . .
1965	757	46	2,520	. . .
1970	5,078	. . .	15,502	. . .
1971	3,574	336	17,791	. . .
1972	3,699	211	19,791	. . .
1973	6,127	71	24,175	. . .
1974	6,953	4	29,578	. . .
1975	4,263	2	31,824	. . .
1976	3,606	86	32,904	. . .
1977	4,780	67	34,370	. . .
1978	12,303	5	43,311	. . .
1979	10,812	. . .	51,091	. . .
1980	8,099	. . .	57,327	. . .
1981	6,112	2	61,412	$ 717
1982	15,116	2	71,814	14,450
1983	17,554	3,528	78,256	25,121

Note: Data adjusted to exclude functions transferred to GNMA in 1968.
Source: Federal National Mortgage Association.

98. GNMA LOAN PORTFOLIO, BY FUNCTION
(MILLIONS OF DOLLARS)

Year-end	Special Assistance	Management & Liquidation	Total Portfolio
1965	$1,340	$ 953	$2,293
1970	3,401	1,821	5,222
1971	3,648	1,673	5,321
1972	3,824	1,287	5,111
1973	3,576	469	4,045
1974	4,440	409	4,849
1975	6,884	358	7,242
1976	4,102	305	4,407
1977	2,989	260	3,249
1978	2,521	220	2,741
1979	2,404	199	2,603
1980	2,806	162	2,968
1981	3,698	141	3,839
1982	3,977	125	4,102
1983	3,374	91	3,465

Source: Government National Mortgage Association.

99. GNMA MORTGAGE-BACKED SECURITY PROGRAM
(MILLIONS OF DOLLARS)

Year	Pass-through Securities		Bonds Sold
	Applications	Issues	
1970	$ 1,126	$ 452	$1,315
1971	4,374	2,702	300
1972	3,854	2,662	. . .
1973	5,529	3,249	. . .
1974	6,203	4,784	. . .
1975	10,449	7,366	. . .
1976	25,394	13,765	. . .
1977	31,076	16,230	. . .
1978	35,014	15,359	. . .
1979	53,820	24,592	. . .
1980	58,701	20,648	. . .
1981	36,915	14,253	. . .
1982	38,863	16,006	. . .
1983	70,281	50,495	. . .

Source: Government National Mortgage Association.

100. MAJOR FEDERAL LAWS AFFECTING THE SAVINGS INSTITUTIONS BUSINESS

Date	Law	Key Provisions
1932	Federal Home Loan Bank Act	Established the Federal Home Loan Banks under the supervision of the Federal Home Loan Bank Board to provide a central credit facility for home financing institutions.
1933	Banking Act	Created the Federal Deposit Insurance Corporation to insure demand and time deposits at commercial banks and savings banks.
1933	Home Owners' Loan Act	Authorized the creation under the FHLBB of a system of federally chartered and supervised savings and loan associations.
1934	National Housing Act	Established the Federal Savings and Loan Insurance Corporation to insure savings accounts at member associations; created the Federal Housing Administration to insure mortgage and other loans made by private lenders.
1944	Servicemen's Readjustment Act (The G.I. Bill of Rights)	Established a program of loan guarantees under Veterans Administration auspices to encourage private lending on generous terms to veterans of the armed forces.
1949	Housing Act	Established national housing goals of "a decent home and suitable living environment for every American family"; provided grants to municipalities for public housing and slum clearance; set up a program of financial assistance for rural areas under the Farmers Home Administration.
1961	Housing Act	Authorized new programs for federal involvement in housing, including subsidized rental housing for low- and moderate-income families; expanded funding for FNMA special assistance functions.
1968	Housing and Urban Development Act	Gave federal associations the authority to invest in mobile home and home equipment loans; expanded their authority to issue a wide variety of savings plans, notes, bonds and debentures.
1970	Emergency Home Finance Act	Created the Federal Home Loan Mortgage Corporation, under the FHLBB, to provide a secondary market for conventional, FHA and VA mortgages; extended from 20 to 30 years the period allowed for associations to accumulate FSLIC-required reserves.
1974	Housing and Community Development Act	Liberalized the types and amounts of loans a federal association may make.
1974	Depository Institutions Amendments	Increased FDIC and FSLIC insurance of deposits to $40,000 for private funds, $100,000 for public funds.
1974	Equal Credit Opportunity Act	Prohibited discrimination in credit transactions on the basis of sex or marital status.
1974	Real Estate Settlement Procedures Act	Provided comprehensive guidelines for loan closing costs and settlement practices.

Date	Law	Key Provisions
1975	Regulation Q and Home Mortgage Disclosure Act	Required most financial institutions to disclose the number and dollar amount of mortgage loans made, by geographical area.
1976	Equal Credit Opportunity Act Amendments	Broadened the scope of ECOA to forbid discrimination in credit transactions on seven additional bases.
1976	Tax Reform Act	Reduced certain allowable federal income tax deductions for savings institutions and increased the minimum tax rate; liberalized IRA and Keogh account provisions.
1977	Housing and Community Development Act	Liberalized association lending limits; raised ceilings on conventional and FHA home improvement loans; required financial institution regulatory agencies to take into account an institution's record of serving the credit needs of its community when evaluating applications for new facilities, mergers and other matters.
1978	Revenue Act	Reduced certain corporate tax rates; permitted one-time exclusion of up to $100,000 capital gain on sale of home; liberalized IRA provisions.
1978	Financial Institutions Regulatory and Interest Rate Control Act	Increased FDIC and FSLIC insurance limits for IRA and Keogh accounts from $40,000 to $100,000; provided for FHLBB chartering of federal savings banks; amended Consumer Credit Protection Act establishing rights and responsibilities for electronic funds transfers.
1980	Depository Institutions Deregulation and Monetary Control Act	Shifted deposit account authority from individual depository institution regulators to a Deregulation Committee; increased FSLIC and FDIC insurance for all accounts from $40,000 to $100,000; gave the Federal Reserve authority to set reserve requirements on short-term accounts at all depository institutions; extended the federal override of state usury ceilings on various loans; authorized NOW accounts nationwide. For federal savings institutions, created or expanded lending and investment powers; authorized the issuance of mutual capital certificates that may be counted toward net worth; gave the FHLBB flexibility in adjusting net worth requirements.
1981	Economic Recovery Tax Act	Substantially increased the annual contribution limits on IRAs, Keoghs and simplified employee pension plans; created a permanent income tax exclusion for interest income starting in 1985.
1982	Tax Equity and Fiscal Responsibility Act	Provided for 10% federal income tax withholding by payers of interest and dividends, beginning 7/1/83; reduced corporate pension plan contribution and benefit plan limits; scaled back certain corporate tax preference items, including certain additions to financial institution bad debt reserves.

Date	Law	Key Provisions
1982	Garn-St Germain Depository Institutions Act	For all depository institutions, authorized a new savings account directly competitive with money market funds; authorized public unit NOW accounts; preempted or severely limited state due-on-sale clause and alternative mortgage loan restrictions; granted broader powers to the federal deposit insurance corporations; mandated the phaseout of the savings interest rate differential by 1/1/84. For insured institutions with deficient net worth, provided for FSLIC and FDIC assistance to bring net worth to required levels, in the form of insurance corporation notes exchanged for net worth certificates issued by the institution. For savings institutions, eased charter and conversion limits. For federal associations, created or expanded authority to invest in consumer, commercial and agricultural loans and other investments; authorized the acceptance of demand deposits from business and agricultural loan customers; removed mortgage loan-to-value ratio limits; permitted investment in tangible personal property for lease or sale up to 10% of assets.
1983	Banking Acts Technical Corrections	Provided that issuance of net worth certificates by FDIC-insured institutions does not constitute a default on outstanding subordinated debt.
1983	Interest and Dividend Tax Compliance Act	Repealed TEFRA withholding provisions; required payers to institute 20% withholding for uncooperative payees and tax cheaters.
1983	Supplemental Appropriations Act	Clarified 1982 federal preemption of state restrictions on due-on-sale clauses and alternative mortgage instruments; eliminated rate ceilings on FHA loans; created FHA programs for alternative mortgages.

101. MAJOR REGULATORY CHANGES AFFECTING SAVINGS INSTITUTIONS IN 1983

Month Effective	Item	Provisions
Jan.	Interest rate ceilings	Ceilings eliminated on short-term accounts with minimum balances of $2,500 or more (7-31 day and super NOW accounts, and 91-day and 26-week MMCs).
Jan.	Branching	Application process simplified for federal savings institution branches and approval criteria eased.
Feb.	Data processing services	Federal savings institutions may engage in a wider range of data processing activities for themselves, for sale to others, and to provide home banking and other automated services to customers.
Feb.	Net worth certificates and regulatory net worth	FSLIC is committed to buy additional NWCs from an institution once it makes an initial purchase. NWCs that FSLIC is committed to buy may be included in regulatory net worth.
Feb.	FHLB advances	FHLBs may make FSLIC-insured advances to institutions without customary credit evaluations.

Month Effective	Item	Provisions
Feb.	Deregulated account interest rates	Institutions may negotiate rates, offer rate bonuses or choose any index for rate changes on deregulated deposits.
Feb., April	Conversions to stock charter	Mutual institutions now have more leeway in structuring and streamlining conversion operations.
March	Grandfathered savings bank powers	State savings banks that convert to federal savings institution charters may continue to exercise the powers they had under the state charter.
April	2½ year certificates	Certificates of 2½ years or more are not subject to interest rate ceilings and minimum balance requirements.
April	Branching	Savings institution branches now are permitted on military installations.
April	Reporting to Federal Reserve	Reporting requirements are eased for depository institutions with reservable liabilities of $2.1 million or less.
May	Loan-to-value ratios	Specific loan-to-value ratios for various types of secured loans are eliminated from the regulations.
May	Due-on-sale clauses	Federal law preempts any state law restricting lenders' rights to exercise due-on-sale clauses.
July	Savings account loans	Interest rates charged must be at least 1% more than the rate at which the account earns, including the effects of compounding.
Sept.	FHLB advances	FHLBs may make advances for terms of up to 20 (was 10) years.
Sept.	Charters and bylaws	Streamlined regulations provide one stock and one mutual charter form for federal savings institutions, and bylaw guidelines rather than prescribed bylaws.
Oct.	Deposit rate ceilings	Interest rate ceilings are eliminated on deposits with maturities or notice periods of more than 31 days and on deposits of at least seven days with $2,500 minimum balances.
Dec.	IRA and Keogh account minimums	Minimum balance requirements are eliminated for any class of account containing IRA or Keogh funds.
Dec.	Applications for FSLIC insurance	Minimum capital requirements raised, other restrictions imposed on institutions seeking FSLIC insurance.

Glossary

adjustable rate loan: any loan on which the interest rate changes during the term of the loan, either at set intervals or whenever movement occurs in an index to which the loan rate is tied.

advance: a loan (advance) of funds; in the savings institutions business, usually a loan from a Federal Home Loan Bank to a member institution.

alternative mortgage instrument: any loan contract that differs from the traditional fixed rate, long-term, fixed payment mortgage. The AMI may be written for a short term with a renewal clause; provide for changes in the monthly payment, term, interest rate or other loan element; or contain some other creative provision.

appraised equity capital: the difference between the book value and market value of certain savings institution assets such as land and improvements; may be included in net worth computations.

asset reserves: funds set aside against transaction account and other short-term deposit balances, as required by the Federal Reserve Board of all except very small depository institutions; held in the form of cash and nonearning deposits at a Federal Reserve Bank.

balloon loan: a loan on which the entire balance becomes due after a specified time such as three or five years; the borrower pays interest regularly, and may or may not make small principal repayments during the loan's term.

bond-type security: an investment security, especially a mortgage-based one, that has the characteristics of a typical corporate bond, including long term, fixed rate of return and repayment of principal at maturity. See also **pass-through security**.

certificate account: a savings deposit made for a fixed or specified minimum term, usually subject to a penalty (such as loss of interest) for early withdrawal.

checking account: a form of transaction account that permits unlimited withdrawals, transfers and payouts of funds but that cannot, by federal law, earn any interest.

club account: a savings account program designed to help people save for specific goals such as Christmas or vacations; provides for deposits each payday and a one-time lump-sum withdrawal; earns at up to the passbook rate.

commercial loan: a loan not secured by a pledge of real estate, made to a business for commercial purposes.

consolidated obligation (FHLB): a debt security issued by the Federal Home Loan Banks over the signature of the FHLBB chairman; the financing needs of the various regional Banks are consolidated into larger issues for the capital markets.

construction loan: a mortgage loan made to finance real estate construction; may include funds for land acquisition; may provide for permanent long-term financing upon completion of construction.

consumer loan: a loan made to individuals for any nonbusiness purpose except the construction or purchase of real estate; also called a nonmortgage loan.

conventional loan: a loan not insured or guaranteed by a government agency; may be privately insured.

credit and equity instruments: any direct market investment representing an ownership share in or a loan of funds to a corporation or government body, including stocks, bonds, bills, notes and debentures.

depository institution: a financial intermediary that accepts savings or demand deposits from the general public.

direct market investment: any investment in a credit or equity instrument that is made directly with the seller or borrower and not through a financial intermediary.

discount note: a short-term debt security sold at less than face value but redeemed at maturity at full value; the difference between the purchase price and redemption amount is the equivalent of interest paid for the use of the funds.

education loan: a nonmortgage loan made to a consumer to finance college or vocational school education or similar training.

family: see **household.**

FHA loan: a mortgage, mobile home or property improvement loan made by a private lender and insured by the Federal Housing Administration.

financial intermediary: a corporation whose operating profit comes primarily from acting as a middleman between those with surplus funds to save or invest and those who want to borrow; accepts money from savers or investors and, in turn, lends the funds in the intermediary's own name to borrowers.

fixed rate loan: a loan made for a predetermined rate of interest that does not change over the life of the contract.

forward commitment: a definite promise to do something at a future time or within a specified period, such as make loans or purchase mortgages.

general reserves: all reserve accounts on a balance sheet except those earmarked for specific potential losses.

graduated payment mortgage loan: a home mortgage loan on which the monthly payments start at a low level and gradually rise at a predetermined rate, based on the assumption that the homeowner's income will increase over time; in the early years of the loan, negative amortization may occur.

gross savings receipts: the total funds placed in new and existing accounts, including interest credited, over a given period.

growing equity mortgage loan: a home mortgage loan on which the payments increase according to an agreed-upon schedule, based on the assumption that the homeowner's income will increase over time; the initial payment level is sufficient to amortize the loan over a long term such as 30 or 40 years; the payment increases prepay loan principal, however, so that the loan actually is paid off in many fewer years.

home: a residential structure containing one to four dwelling units; a condominium unit, regardless of the number of units in the building.

home improvement loan: a loan to finance the repair, modernization or improvement of residential real estate; also called a property improvement loan; when secured by a mortgage, classed with other mortgage loans on the balance sheet.

home loan; home mortgage loan: a residential mortgage loan secured by one- to four-family property or a condominium unit.

household: all persons occupying a separate housing unit that has either direct access to the outside or a public area, or separate cooking facilities; when the members are related by law or blood, called a family.

household funds: in the Federal Reserve Board's Flow of Funds Accounts, the financial assets and liabilities of households, businesses, financial institutions and government units.

individual retirement account: a trust-type savings account to accumulate retirement funds; exempt from income tax on account earnings and new funds deposited, up to specified limits, until the saver retires.

industrial loan: a loan to a business for manufacturing or industrial, as opposed to commercial, purposes.

insurance fund: the reserves accumulated by the FDIC over the years to offset any claims made by depositors of defaulted insured institutions.

insured institution: a savings association or savings bank whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation.

IRA: see **individual retirement account**.

jumbo certificate: a market rate certificate savings account of $100,000 or more.

Keogh account: a trust-type savings account for self-employed individuals and their employees; exempt from income tax on account earnings and new funds deposited, up to specified limits, until the saver retires.

liability reserves: see **general reserves** and **net worth**.

liquidity: investments readily convertible to cash without significant loss; specified types of such investments held by member institutions to satisfy FHLBB requirements for short-term and overall liquidity.

loan discounts and fees: charges made by most mortgage and nonmortgage lenders for processing a loan application and writing a new loan.

loans in process: the contra-asset account representing funds not yet disbursed on mortgage loans on which the final documents have been executed.

manufactured home loan: a loan to finance the purchase of a manufactured (mobile) home; may include funds for associated costs such as transportation and setup.

market rate deposit: a savings deposit on which there is no rate ceiling.

mobile home loan: see **manufactured home loan**.

money market account: a savings deposit not subject to rate ceilings as long as a $2,500 minimum or average balance is maintained; no minimum term; may have up to six preauthorized transfers a month.

money market fund; money market mutual fund: a mutual fund investing in short-term money market securities and selling shares in low minimum amounts to the public.

mortgage-backed security: any of a variety of investment securities representing shares in a pool of mortgage loans; often guaranteed by GNMA or privately insured.

mortgage loan: an advance of funds to a borrower secured by the pledge of real estate; the pledge ends when the debt is discharged.

mortgage warehousing: a contra-asset account representing mortgages made by an institution and earmarked for inclusion in a pool that will underly a mortgage-backed security; mortgages in the pipeline between origination and securitization.

multifamily housing: a residential structure containing five or more dwelling units.

mutual capital certificate: a long-term debt security issued by a federal mutual institution, subordinated to all other claims on assets; not covered by federal insurance of accounts; may be counted as net worth for regulatory purposes.

mutual institution: a savings institution owned solely by its customers—current savers and borrowers—who elect the board of directors and, if the institution goes out of business, share pro rata in any assets remaining after all liabilities have been paid.

net new retail savings: the total of funds placed in new and existing accounts except $100,000-minimum certificates, excluding interest credited, less withdrawals from these accounts, over a given period.

net new savings: the total of funds placed in new and existing accounts, excluding interest credited, over a given period.

net savings receipts: gross savings receipts minus withdrawals over a given period.

net worth: the amount by which savings institution assets exceed liabilities, maintained at least at the minimum level required by regulation; a cushion to protect savers against any losses on loans and other investments; consists of federal insurance and general reserves, paid-in surplus, undivided profits, subordinated debentures, appraised equity capital, net worth certificates, and mutual capital certificates (for a mutual institution) or permanent stock (for a stock institution).

net worth certificate: a special security issued by a depository institution with a net worth deficiency, which is then exchanged for a promissory note from the FDIC or FSLIC; the institution redeems its NWC when it returns to profitability and can make all required allocations to net worth.

nonmortgage loan: see **consumer loan.**

notice account: a savings account that permits the addition of any amount at any time but requires a specified number of days' notice for withdrawals in order to earn a rate higher than that on passbook accounts.

NOW account: a savings account that allows check-like drafts (negotiable orders of withdrawal) to be drawn against the interest-bearing deposit; a regular NOW account has an interest rate ceiling, while a super NOW, with a $2,500 minimum balance, is ceilingless.

operating expense: costs incurred in the normal operation of a savings institution or other business, as opposed to outlays and losses arising from extraordinary circumstances such as a lawsuit (nonoperating expense).

operating income: income arising from the normal operation of a savings institution or other business, as opposed to funds received from extraordinary events such as the one-time sale of an office building (nonoperating income).

operating loss carryback; operating loss carryover: a provision of income tax law that allows businesses that experience an excess of operating expense over operating income in one tax year to use part of that loss to offset income in a past or future tax period.

ordinary savings: the term used by some savings banks to refer to passbook accounts.

over-the-counter savings: savings accounts and time deposits at depository institutions.

participations: mortgage loans made jointly by two or more lenders or owned jointly by two or more investors.

passbook account: a no-minimum-balance savings account that permits the addition or withdrawal of any amount at any time without penalty.

pass-through security: a security representing an interest in an underlying pool of mortgages, on which payments received on the underlying pool are passed through to the security investor.

personal savings: in the Department of Commerce's National Income Accounts, the balance remaining after subtracting estimated outlays for goods and services from the after-tax income of individuals and families.

primary reserve: with the secondary reserve, the funds set aside by the FSLIC over the years to offset any claims made by depositors of defaulted insured institutions.

private mortgage insurance: insurance offered by a private company that (a) protects a lender against loss on a defaulted mortgage loan up to policy limits, often 10% to 25% of the total loan amount; or (b) protects owners of mortgage-backed securities against losses on the underlying loans up to policy limits, often 5% of the total principal.

public unit account: a savings account containing the funds of a state, county, municipality or other government unit or subdivision.

purchase loan: a mortgage loan made to finance the purchase of existing real estate, secured by a pledge of that real estate.

real estate loan: see **mortgage loan.**

real estate owned: real property acquired by a mortgage lending institution as a result of its lending operations, after a borrower defaults.

regular deposit: any account at a savings bank except a checking, club or school account.

retail savings: all savings deposits except jumbo certificates.

return on assets: net after-tax income for a given period of time divided by average assets, net of contra-asset items.

savings account loan: a loan secured by a pledge of funds in a savings account at the same institution; often used by savers who want to avoid penalties for early withdrawal from a certificate account.

savings association: a state-chartered or federally chartered financial intermediary that accepts deposits from the public and invests those funds primarily in residential mortgage loans; in various jurisdictions, also called a savings and loan association, co-operative bank, homestead society or building and loan association.

savings bank: a state-chartered or federally chartered financial intermediary that accepts deposits from the public and invests those funds in a variety of secure investments, mainly mortgage loans; also called a mutual savings bank.

savings institution: a savings association or savings bank.

school savings plan: a special account for young people, offered by some savings banks, that is exempt from most of the regulatory requirements on interest rates, minimum deposits, transaction arrangements and similar matters that apply to other types of savings accounts.

secondary mortgage market: the aggregate buying, selling and trading of existing mortgage loans and mortgage-backed securities.

secondary reserve (FSLIC): see **primary reserve**.

service corporation: a regulated business organization wholly owned by one or more savings institutions, which may engage in specified business activities that the parent(s) cannot or does not want to engage in, such as real estate development and management, insurance agency and brokerage services, and the sale of clerical and computer services.

specific reserve: a balance sheet account containing funds set aside to absorb possible losses on a specific loan or business transaction.

speculatively built home: a one- to four-family home on which a developer or contractor has begun construction without a contract having been signed with any buyer for the property.

subordinated debenture: a long-term debt security issued by a savings institution, subordinate to savers' claims on assets; may be counted as net worth for regulatory purposes.

super NOW account: a $2,500 minimum, ceilingless NOW account.

surplus account: a balance sheet account containing net profits from prior operating periods that were not distributed to savers in interest or paid to stockholders as dividends; a component of net worth at many savings institutions.

tax preference item: the amount of tax saving generated by the use of certain "loophole" provisions in the tax code; a special minimum tax is imposed on users of these provisions to ensure that they cannot completely avoid federal tax liability.

thrift institution: a depository financial intermediary that promotes thrift by offering savings deposit facilities to consumers; included are savings associations, mutual savings banks and credit unions.

time deposit: any savings deposit with a definite term or notice period; excludes transaction and passbook account funds.

transaction account: a deposit from which payments may be made directly to a third party on the depositor's negotiable or non-negotiable order; includes NOW accounts, checking accounts and third-party payment accounts.

turnover ratio: the inflows from a portfolio, as of securities or mortgage loans, over a given period of time, expressed as a percentage of the average portfolio over that period.

VA loan: a mortgage or manufactured home loan guaranteed by the Veterans Administration.

valuation reserve: an allowance set aside to cover the risk that the principal and interest on an investment such as a loan or security will not be repaid according to contract; the amount so earmarked need not take into consideration any difference between the book value and market value of the asset.

variable rate certificate: a certificate account on which the interest rate varies during the term of the deposit according to a predetermined schedule, formula or index.

variable rate mortgage loan: a mortgage loan on which the interest rate may be adjusted periodically in accordance with changes in an agreed-upon index.

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